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FINANCIAL TIMES

Europe's Business Newspaper WEEKEND JANUARY 7/JANUARY 8 1995 D8523A

Yeltsin clamps down on dissent as war costs rise

Russian President Boris Yeltsin lashed out at his senior ministers and said he would sack the director of the state television station as the costs of the Kremlin's unsuccessful campaign to subdue Chechnya continued to mount. Mr Yeltsin told the Security Council, the secretive 12-man body which dominates Russian politics, that it must set a date for the end of military action in Chechnya. Russian forces entered the north Caucusus republic of less than 1m people on December 11. But yesterday Chechens were still in control of Grozny. US president Bill Clinton has joined other international leaders expressing alarm at the loss of civilian life. Page 26

France reopens Iraqi diplomatic link: France said it would soon re-establish a limited diplomatic presence in Iraq, in a gesture that drew a sharp rebuke from the US and Britain for relaxing pressure on Baghdad. Page 26

Peace force plea: The United Nations has asked for another 6,000 troops to monitor a four-month truce throughout Bosnia as clashes continued in the north-western enclave of Bihać. Page 2

US jobs figures fail to stem stocks rally

FT-SE 100 Index

The expected rise in US employment figures for December failed to stem a rally in UK stocks and although the recovery in share prices leant heavily on the stock index futures sector, the final gain of 32.7 on the FT-SE 100 Index left it close to the day's high. Equities opened nervously as London braced itself for the US employment data and the Footsie was more than 12 points off in early trading. When it became clear that global investors had not been unduly shaken by the US data, London climbed to show the Footsie with a gain of more than 35 points at the day's peak. Share prices gave a final reading on the FT-SE 100 Index of 3,065.0, for a net gain on the session of 32.7. London stocks, Page 23; World stocks, Page 14; Currencies, Page 15.

Property fears hit Hong Kong: Financial markets in Hong Kong took another battering as international investors shed stocks amid fears that the property market was cracking. Page 3; World stocks, Page 14; Lex, Page 26

Peso falls again: Mexico's currency crisis showed no signs of abating as the peso fell sharply in early afternoon trading in Mexico City. Foreign exchange traders said there was strong demand for dollars from Mexican banks, which needed the US currency to meet obligations to foreign banks on Monday. The peso was quoted at 5.9 to the dollar, a new low, compared with 5.3 at yesterday's close. IMF talks, Page 4

Slovo mourned: The death of Joe Slovo, South African minister of housing, has robbed the ruling African National Congress of one of its most important political strategists. Page 3

Rightwingers target spending: Two of the leading rightwingers in John Major's UK cabinet launched a new attack on levels of public spending and argued for tax cuts. Page 7

US motor sales up: New vehicle sales in the US rose last year by 8.5 per cent to 15.4m from 14.2m a year earlier, in the industry's strongest performance since 1988. Page 4; UK car registrations, Page 6

Landlords seize Athena goods: Landlords to Athena Holdings, forced into receivership 10 days ago by Pentos, have seized stock at 30 of the poster and card shops to cover unpaid rent. Page 10

Kleinwort Benson arm fined £50,000: A subsidiary of Kleinwort Benson Ltd has been fined £50,000 ($78,000) for failing to monitor the activities of two members of staff who manipulated prices in the futures markets. Page 7

Greece threatened with huge fine: The European Commission is threatening Greece with one of its biggest ever financial penalties for fraud – Ecu545m ($670m) – to force the country to crack down on misuse of cotton subsidies. Page 2

Ferry safety: The UK government has been urged to take unilateral action to improve roll-on roll-off ferry safety if the International Maritime Organisation does not act quickly. Page 6

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UK consumers borrowed more in Christmas run-up

By Peter Norman and Alison Smith

UK consumer borrowing increased sharply in November with shoppers making more use of credit cards for purchases before Christmas, Bank of England figures showed yesterday.

But the Bank, which has now taken over responsibility for publishing all personal borrowing figures, reported only a steady increase in mortgage lending, providing no sign of an early pick up in the housing market.

Bank figures on consumer lending, which have replaced less detailed data from the Central Statistical Office, showed that net consumer credit increased sharply by a seasonally adjusted £677m in November. Net lending to consumers increased by 10.1 per cent in the 12 months to November, much faster than the 5.5 per cent annual growth in net mortgage lending. November's consumer credit growth was well up on October's £541m net lending figure and the highest monthly increase since the Bank began compiling monthly statistics in April 1993.

Borrowing on credit cards jumped by £156m compared with £91m in October lifting the outstanding amount of credit card borrowing to £11.53bn.

The willingness of consumers to borrow more appeared to contrast with recent survey evidence of falling consumer confidence and last month's report of unchanged retail sales volumes between October and November.

But some City analysts suggested that yesterday's figures reflected cautious consumption behaviour and heightened price awareness.

Mr Jonathan Loynes, UK economist at Midland Global Markets, said consumers were deciding to finance a greater portion of their purchases with credit rather than raising overall spending. "We suspect consumers are responding to the many attractive finance and cheap credit deals being offered," he said.

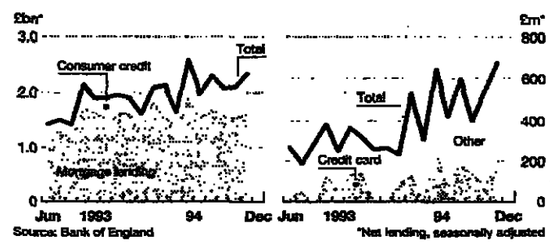
Mr Richard Jeffrey, Charterhouse Group economist, said consumers may be having to borrow more to increase consumption because of slow income growth. On the other hand, reports from

Continued on Page 26

BMW and its Rover subsidiary overtook Ford to become UK new car market leader in December, although the overall market continued to weaken.

Last year's 1,910,933 registrations of new cars were 7.45 per cent above 1993's figure and the highest for four years. But they had been achieved only "at enormous cost to all parties in the market place," the director-general of the Retail Motor Industry Federation, said. Report, Page 6

Personal borrowing **Consumer credit**



US jobless rate hits four-year low of 5.4%

By Michael Prowse in Washington

The US jobless rate dropped sharply last month to 5.4 per cent, the lowest level in four years, confirming that the economy is growing faster than the authorities hoped despite efforts by the Federal Reserve to slow the expansion.

On Wall Street, analysts said the figures made another increase in short-term interest rates, currently 5.5 per cent, all but inevitable. The Fed is expected to raise rates by half or three quarters of a point at its next policy meeting, scheduled for the end of this month.

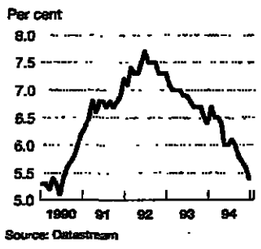
Bond prices fell in early trading but had regained ground by midday yesterday, reflecting confidence that the Fed will act promptly to stem inflation. The 30-year Treasury bond was trading ⅝ up at 95$\frac{26}{32}$ at about 1pm.

The dollar rose modestly against the yen and D-mark on the expectation of higher interest rates. At 1pm the dollar stood at Y101.26 and DM1.559. Equities rose strongly, taking the Dow Jones Industrial Average 28.26 points higher to 3,879.18 at 1pm.

The Labour Department said non-farm payroll employment rose 265,000 last month, in line with market projections. However, it revised figures for November to show a gain of almost 500,000, rather than the 350,000 previously reported. This partly reflected temporary work during the mid-term elections.

The scale of the job gains indicate that the economy probably grew at an annual rate of at least 4 per cent in real terms in the fourth quarter, at or above the rate over the previous six months. Fed policymakers believe the sustainable growth rate is only about 2.5 per cent and fear more rapid growth will force up consumer price inflation, which was less than 3 per cent last year.

US unemployment rate



Forecasters were surprised by the drop in the jobless rate, which was 5.6 per cent in November and 6.7 per cent at the beginning of last year. It is now well below the 6 per cent rate that most economists regard as the lowest level for stable inflation. In many parts of the mid-west and south the jobless rate is well under 5 per cent; in December it was 4.2 per cent in Illinois and 3.3 per cent in North Carolina.

While acknowledging the economy's vigour at the end of last year, many economists continue to project a sharp deceleration in growth later this year, reflecting the delayed impact of interest rate increases and consumer spending fatigue.

"We will see signs of a slow down within three months," said Mr Bruce Steinberg, a senior economist at Merrill Lynch in New York. He expects annual growth to decline to 2 per cent by the end of this year, half the rate of 1994. Some economists fear that a further tightening of monetary policy could prompt a recession in 1996.

Editorial Comment, Page 8

Mrs Gillian Shephard, the education secretary, addresses delegates at the North of England Education Conference in York yesterday. Mrs Shephard rejected calls from Sir Leon Brittan, European competition commissioner, for an inquiry into class sizes and defended government funding for schools. Report, Page 6 Picture: Jamie Wiseman

Lucas arm in US fined $18m for false test records

By Andrew Baxter

A US subsidiary of Lucas Industries, the UK aerospace and automotive component maker, is to pay fines and costs totalling $18.5m (£11.8m) after admitting falsifying inspection records on gearboxes for fighter aircraft and other parts supplied to the Pentagon.

Lucas said yesterday that its Lucas Western unit, which it acquired in 1987, had reached a deal with the US government on the criminal investigations into the falsification of testing records.

The deal needs to be approved by a Federal Court in Los Angeles next week, and Lucas said talks would continue on the civil aspects of the investigation.

The case is the most serious in a long line of quality control and management problems at Lucas on US defence contracts.

Last night, Mr John Grant, its finance director, blamed a "systemic failure of the management process" at Lucas Western and higher levels within Lucas.

"The case has given us a quality image problem that we are very concerned about," he said. "We will have to continue to

Continued on Page 26

Europe 'faces pensions crisis'

By Norma Cohen, Investments Correspondent

Europe's pension schemes face a crisis in the next century unless governments reduce the benefits financed by taxes and encourage individuals to save more for retirement, a leading European think tank said yesterday.

Falling fertility rates and longer life expectancy meant that while there would be fewer workers to pay taxes in the future, there would be a rising number to whom benefits must be paid, the Federal Trust said. In many European Union states, taxes would have to double over the next few decades to meet obligations.

In a report on European pension provision, it urged the adoption of a new EU directive requiring member states to set up mechanisms for private savings for old-age benefits. The report, prepared by a panel of academics, politicians and representatives of financial institutions, also urged a new directive allowing pension funds to be invested in various types of assets.

Mr Dick Taverne, a former Labour Treasury secretary and the report's author, said: "If nothing is done soon, the prospect is pretty bleak for future workers and future taxpayers in Europe."

The Federal Trust intends to lobby the European Parliament and the EU directorates which draft pensions legislation.

Transition to schemes funded by savings can be achieved with relatively little disruption if they are phased in slowly, Mr Taverne said. But if governments wait too long, reform cannot be achieved without wrenching social costs.

Because European states have Pay-As-You-Go pension schemes, in which retirement benefits are paid through the imposition of taxes on existing workers, the rising numbers of elderly people mean that each worker will have to pay higher and higher taxes to meet current commitments.

The Federal Trust is urging EU states gradually to reduce promised benefits and, through tax incentives, encourage workers and employers to make private investments for retirement income. The report stops short of calling for a Europe-wide system of compulsory pensions savings.

Mr Taverne said current projections about the "demographic time bomb" understated the severity of the population imbalance European member states have made promises about the level of benefits, and taxes in most countries are too low to meet those promises.

The Pensions Time Bomb in Europe, published by the Federal Trust, 158 Buckingham Palace Road, London SW1W 9TR

STOCK MARKET INDICES

FT-SE 100:	3,065.0	(+32.7)
Yield	4.2	
FT-SE Eurotrack 100	1,327.39	(-1.56)
FT-SE-A All-Share	1,519.14	(+0.8%)
Nikkei	19,519.45	(-98.65)
New York: lunchtime		
Dow Jones Ind Ave	3878.18	(+27.26)
S&P Composite	461.9	(+1.56)

LONDON MONEY

3-mo Interbank	6$\frac{5}{16}$%	(same)
Liffe long gilt fut:	Mar 101$\frac{1}{32}$	(Mar 100$\frac{7}{16}$)

US LUNCHTIME RATES

Federal Funds:	5½%
3-m Treas Bills: Yld	5.904%
Long Bond	95$\frac{23}{32}$
Yield	7.856%

NORTH SEA OIL (Argus)

Brent 15-day (Feb)	$16.70	(16.45)

GOLD

New York Comex (Feb)	$372.20	(376.6)
London	$375.75	(374.5)

STERLING

New York lunchtime		
$	1.5543	
London:		
$	1.5535	(1.5634)
DM	2.4194	(2.4286)
FFr	8.3502	(8.373)
SFr	2.0306	(2.041)
Y	157.357	(157.906)
£ Index	79.6	(79.9)

DOLLAR

New York lunchtime		
DM	1.55925	
FFr	5.38325	
SFr	1.30915	
Y	101.285	
London:		
DM	1.5575	(1.5535)
FFr	5.3753	(5.3558)
SFr	1.3072	(1.3055)
Y	101.295	(101.05)
$ Index	63.6	(63.3)
Tokyo close	Y 101.13	

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EU threatens Greece with huge fraud fine

By Peter Marsh in London and Kerin Hope in Athens

The European Commission is threatening Greece with one of its biggest ever financial penalties for fraud in an effort to force the country to crack down on misuse of cotton subsidies.

Brussels intends later this year to fine the Greek government Ecu545m (£428.9m), roughly a fifth of the country's current annual receipts under the common agricultural policy, unless it makes substantial headway in stopping Greek farmers filing false claims for cotton production and so gaining more subsidies than they are entitled to.

The penalty would come on top of a Ecu60m fine imposed on Greece in recent weeks because of systematic fraud in 1990-91 involving subsidies for cotton.

The action is intended to warn other member states that Brussels wants to see them take much tougher steps to combat fraud – believed to drain between 2 per cent and 10 per cent from the Ecu70bn annual EU budget.

The Brussels action, labelled as "exceptional" by one official, comes after a three-year Commission inquiry into irregularities in the Greek cotton industry, which accounts for nearly half Greece's cultivable land and is vital to the Greek textiles industry, which is responsible for roughly 35 per cent of the country's total exports.

The investigation was triggered by the finding that in 1990-91 cotton farmers inflated their production figures by about 15 per cent. As a result they are thought to have gained about Ecu50m more in European Union subsidies than they were entitled to.

Commission officials have been angered by what they see as laxness by the Greek ministry of agriculture in enforcing controls over cotton and following up known cases of fraud. Despite a stream of government inquiries and court cases, virtually none of the cash thought to have been paid out incorrectly in the early 1990s to farmers has been recovered.

Even though officials in Brussels believe that in the past two years Greece has tightened up checking procedures on cotton, they reckon much more needs to be done. However the Greek cotton board, the semi-independent body answerable to the government that monitors cotton production and EU payments, may find it difficult to comply because of shortage of inspectors.

The new measures insisted on by Brussels call for teams of officials from the cotton board to monitor the amounts of cotton taken from the fields and transported to some 60 ginning (processing) plants around Greece throughout the two-month harvesting season.

A cotton board official said: "When the harvest is in full swing, the cotton gins are operating 20 hours a day and we don't have enough people available to keep up systematic checking."

UN seeks extra troops for Bosnia

By Laura Silber in Belgrade

The UN yesterday asked for another 6,000 troops to monitor the four-month truce in Bosnia as clashes continued in the north-western enclave of Bihac. The extra troops will bolster the 23,000-strong force in Bosnia, which under the truce accord will be deployed in flashpoints and along more than 1,000 miles of frontlines.

President Alija Izetbegovic of Bosnia yesterday accused the Serbs of reneging on their pledge to halt attacks on the embattled region. With UN reports of continuing clashes in the dense Moslem heartland, he warned that the Sarajevo government will not allow the Serbs to use the truce to tighten their stranglehold on Bihac.

Bosnian government and Serb leaders met yesterday to work out details of implementing the truce. The talks resumed after Sarajevo government delays in pulling out troops from the demilitarised zone of Mount Igman, south-west of the city. UN officials yesterday waited for the weather to clear to inspect the strategic heights by helicopter.

In Belgrade, General Bo Pellnaes, chief of an international monitoring team, yesterday reported that in the past three months Belgrade had kept its pledge to halt shipments of fuel and arms to the Bosnian Serbs. His report means the UN Security Council is likely to extend the suspension of some sanctions on Yugoslavia, comprised of Serbia and tiny Montenegro. The 100-day suspension expires on January 13.

Chechen soldiers loading an anti-aircraft battery defending their capital Grozny — Reuter

Yeltsin's ambitions may be doomed in warlike Chechnya

Anthony Robinson on history's harsh lesson for Moscow

If history is a guide, Mr Yeltsin's military adventure in the Caucasus is doomed.

It took the Czarist armies 60 years of strenuous military campaigning to subdue the warlike and warring clans of the Caucasus in the pursuit of security along Russia's southern border and access to the warm water ports of the Indian Ocean.

Russia's southward drive in the first decades of the 19th century was largely at the expense of the Ottoman Turks. Control of the Caucasus strengthened Russia's position in the Black Sea but alarmed Britain and France sufficiently to spark off the Crimean War.

Further expansion into central Asia eventually brought the Romanov empire into fresh conflict with the British army and sucked both empires into unwinnable wars in Afghanistan and skirmishes along the north west frontier of India.

The expansionism which gave Russia control over the Silk road and a huge swathe of central Asia was Russia's version of that great 19th century migration of peoples which included the conquest of the American west, the European settlement of Australasia and the great trek of the Boers into Transvaal and the Orange Free State.

Like all imperial conquests, however, the degree of Slav Russia's domination over the ethnically, culturally and religiously diverse lands it had occupied depended upon the strength and will of the Imperial power.

When the Czarist empire collapsed in 1917, the Caucasian and central Asian tribes re-asserted their independence, only to be bought to heel in the early 1920s by the victorious Red Army and the iron will of Joseph Djugashvili, a small-town Georgian brigand, better known as Stalin.

Appointed by Lenin to oversee the Bolshevik state's nationalities policy, Stalin spoke Russian poorly and inherited the clannish rules of Caucasian politics and ethnic rivalries.

Forewarned, he was also fore-armed. Stalin knew the divisive reality of the ethnic complexity of the Soviet empire and imposed upon it an extreme form of Russian chauvinism, through totalitarian rule from Moscow.

Stalin buried ethnicity and nationalism beneath the ideological smokescreen of proletarian internationalism. Unlike Mikhail Gorbachev, a farm boy from the Kuban wheatfields in the lee of the Caucasus mountains who was taken by surprise when the Kazakhs revolted against an ethnic Russian party boss in 1986, Stalin never underestimated their potential disruptive force.

When Soviet power was threatened by the Nazi invasion after 1941 Stalin accused the Crimean Tatars, Ingushetians, Ossetians, Chechens and other Caucasian peoples of collaboration, and deported millions to eastern Kazakhstan or Siberia.

Now that Moscow's grip is weak again, Mr Yeltsin's advisers have persuaded him that only a display of military force will subdue the mafia warlords and keep the North Caucasian peoples within the folds of the ill-defined Russian federation when all the former Soviet republics beyond the southern slopes of the Caucasus are independent.

At stake, they argue, is not only law and order and the security of southern Russia but control over the main rail, road and pipeline links to the oil and gas rich Caspian sea and the central Asian republics.

The oil and gas lobby is very powerful with Mr Viktor Chernomyrdin, former head of Gazprom, as prime minister. Ensuring that oil and gas from central Asia is transported to Europe via Russian pipelines and ports is an obsession. The main oil pipeline from the Caspian Sea to the oil export harbour of Novorossiisk passes through Chechnya.

But history indicates that military action is not sufficient and a political solution needs to be found for federal Russia's future relations with its non-Russian peoples. For the Czars found that maintaining their hold over a kaleidoscopic collection of ancient nations and mountain tribes condemned generations of soldiers to a dreary barrack life in isolated mountain garrisons.

The infinite boredom and occasional heart-pumping excitement of military life among the jagged, snow covered peaks and lush mountain valleys was immortalised by Mikhail Lermontov, the Byronic Russian poet who was killed in a duel with a fellow officer in 1841 at the age of 27, during his second posting to the Caucasus.

"Have you spent long in Chechnya?" Lermontov's newly arrived officer asks a grizzled veteran of the Caucasian campaigns at the start of his famous novel, A Hero of Our Time. "I had about ten years there with my company in a fort near Kamenny Brod," he replies.

"Ah, those cut-throats gave us a time of it. They're quieter now, thank heavens. But once if you went a hundred yards from the stockade there'd be some shaggy devil on the lookout, and you'd only have to blink an eyelid and, before you knew where you were, you had a lasso around your neck or a bullet in your head." All that has changed in 150 years is the technology – anti-tank missiles instead of lassoes.

Russians face a new year at war

By John Thornhill in Moscow

Russia celebrates Christmas today but there is no peace and little goodwill in the country. The war in Chechnya has gripped the nation's attention and the daily diet of television footage of the fighting appears to have shocked society.

For the first time Russian television viewers have seen war as it really is – largely thanks to the courageous reporting of the independent television channel, NTV, which has kept reporters in Grozny. Pictures of unburied Russian soldiers lying in the streets have filled television screens. For Russia, this may become the first test of the proposition that democracies cannot sustain wars in a television age.

The press is overwhelmingly anti-war. Only two newspapers, Sovyetskaya Rossiya and Rossiiskaya Gazeta, support the military action. Russian opinion polls – imperfect though they may be – suggest that two-thirds of the population now opposes the action.

Letters in the newspapers and conversations in the street, though, still reveal an extremely varied response. In the Sadko shopping arcade Moscow's *nouveaux riches* come to buy last-minute presents and seem little interested in outside events. One shopper, dressed in a fur coat, is too preoccupied studying a giant toy bear – priced at $3,540 – to discuss Chechnya. "War is war. Peace is peace. It's all the same to me," she says testily.

Mr Vladimir Skvorstov, the 35-year-old security guard who stands shivering in the car park outside, takes the issue more seriously. A veteran of the Afghan war, he says: "I think we had to take decisive action. There was no choice. We tried to follow a peaceful path but it did not work. The Chechens wanted war and now they've got one."

Two old women argue at the bus stop on Kutuzovsky Prospect. "It is senselessness, stupidity," says one. "But you cannot trust these Chechens . . . someone has to show them who is in charge," says the other.

Mr Vyacheslav Vladimirov, a passing 75-year-old second world war veteran, says: "There are many different nationalities in Grozny, including many Russians, and we are killing them all. After this Yeltsin has no chance at the elections."

How the government responds to the public's views will be a test of Russia's fragile democracy. Mr Yeltsin cannot be impervious, given the elections next year, and he has already nodded towards public opinion by ostentatiously calling a halt to the bombing of civilians. But as the firing of the head of one of Russia's television stations seems to prove, the Russian leadership still considers it better to shoot the messenger than change the message.

INTERNATIONAL NEWS DIGEST

Seoul hopeful on talks with North

South Korean President Kim Young-sam yesterday expressed optimism that political dialogue with North Korea will be resumed once its leader, Mr Kim Jong-il, formally assumes power. South Korea has made negotiations with North Korea a central condition for its full support of the recent US-North Korean agreement to dismantle Pyongyang's nuclear programme in return for US diplomatic ties and western aid.

President Kim's remarks at his new year news conference came as South Korea prepares to hold a crucial meeting on Monday with the US and Japan on plans to help finance the $4bn construction of safe light-water reactors for North Korea as stipulated under the recent nuclear accord. South Korea is expected to pay for more than half of the cost of the reactors, with Japan and other countries financing the rest.

The president was responding to recent criticism by conservatives in South Korea, including members of his own ruling Democratic Liberal party, that the Kim administration is proceeding with the reactor project in spite of North Korea's refusal so far to hold talks with South Korea on political issues. *John Burton, Seoul*

Reynolds 'regrets' attack

Ireland's former premier, Mr Albert Reynolds, who was forced to resign in November, has challenged the account of the downfall of his government given by the former attorney general, Mr Eoghan Fitzsimons. Mr Fitzsimons had informed the cabinet that there was a precedent for extraditing a paedophile Catholic priest and that the seven-month delay of the previous attorney general – Mr Harry Whelehan – was unacceptable. Mr Reynolds had previously told the Dail there was no legal precedent for extradition and subsequently claimed he had not been fully informed by Mr Whelehan. Mr Whelehan, who had been appointed president of the Irish high court, was forced to resign. But on Thursday in front of an Irish parliamentary committee investigating the affair, Mr Reynolds voiced his personal regret for the "harsh things" he said in parliament about Mr Whelehan. Mr Reynolds claimed Mr Fitzsimons had provided "contradictory advices, which were most unsatisfactory and which required to be cleared up". *John Murray Brown, Dublin.*

Swedish minister optimistic

Mr Göran Persson, Sweden's finance minister, yesterday sought to limit damage from Thursday's downgrading of the country's sovereign debt rating by Moody's, the US ratings agency. He said he was optimistic recovery in the economy offered the opportunity for Sweden to stabilise its fast-growing debt burden. Mr Persson blamed the downgrading on three years of "mismanagement" by the previous right-centre government and said he agreed with Moody's analysis that tough fiscal measures were needed to narrow the budget deficit. He has promised spending cuts of SKr200bn (£1.72bn) in next Tuesday's 1995-96 budget and is set to use the downgrade to weaken opposition to harsh cuts within the ruling Social Democrats. The immediate impact of the downgrade - from Aa2 status to Aa3 - was blunted yesterday because Sweden's financial markets were closed for the Epiphany holiday. But dealers expect long-term bond yields to rise by up to 20 basis points from their present levels around 10.8 per cent when markets open on Monday. *Hugh Carnegy, Stockholm*

India eases exchange rules

The Reserve Bank, India's central bank, said yesterday it would permit companies to take forward positions in any currency in a move to further liberalise the country's foreign exchange market. This will allow companies to book forward cover in currencies other than those in which their imports and exports are invoiced. The country's foreign exchange market operations have been confined to rupee-dollar transactions, with nearly 60 per cent of India's foreign trade being transacted in dollars. Dealers welcomed the move, saying it would let companies take advantage of rate movements in other currencies, and boost market liquidity. The Reserve Bank recently banned companies from rolling over forward contracts to bring India's recently liberalised market in line with international practices. *Shiraz Sidhva, New Delhi*

Bonn defies Algerian threat

Germany pledged yesterday to maintain its embassy in Algiers, despite a threat by Moslem fundamentalists to kill westerners unless missions were closed by today. Several western embassies in Berne have received an identical letter, apparently signed by the militant Armed Islamic Group (GIA), warning them to shut diplomatic missions in Algiers by today. French security police fear further attacks by the GIA on French interests around the world, according to Le Monde newspaper. The attacks would be to avenge the killing of four guerrillas when special forces stormed a hijacked Air France jet at Marseille on December 26. Le Monde said Algerian police claimed to have infiltrated the GIA, and the Algiers government has told France it will have smashed the group's bases in the countryside by March. *Foreign Staff*

Manila in £1bn land sale

The Philippine government realised 38.9bn pesos (£1bn) from selling Fort Bonifacio, a military camp auctioned yesterday in the country's biggest land sale for a decade. This compares with 25bn pesos raised in last year's privatisation of Petron Corporation, the Philippines' leading oil refiner and distributor. The winning consortium, led by Metro Pacific Corporation, local subsidiary of the Hong Kong-based First Pacific Group, plans to develop the fort into a commercial and residential complex. *Jose Galang, Manila*

Victorian electricity sell-off

Victoria hopes to raise at least A$9bn (£4.46bn) from selling the state's electricity system – potentially Australia's largest privatisation programme. Mr Jeff Kennett, Victorian premier, said he expected the first of five newly formed electricity distribution companies to be sold off this year and at least one of the five Latrobe Valley generators. "The whole objective is to raise sufficient money to pay off the entire debt of the old State Electricity Commission, which is about A$9bn, and hopefully make a bit more on top of that," he said. *Nikki Tait*

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Taxing time for German churches

By Michael Lindemann in Bonn

Many Germans look set to return from the Christmas holidays with a new year resolution to write to the tax authorities to declare that they have lost their religion.

Up to now the vast majority of Germans have paid church tax or *Kirchensteuer*, an extra 9 per cent on top of their income tax bill, to the Protestant or Catholic church. Those who do not want to pay have to opt out and are then not entitled to free church services such as burials.

The churches in Germany raise around DM17bn (£6.90bn) through the *Kirchensteuer*, but with much of the money going to pay for kindergarten places and an array of other social services, most Germans are still relatively well inclined towards the tax. A 1993 poll showed that 75 per cent of west Germans and 83 per cent of east Germans were content to pay it.

But the reintroduction of the solidarity surcharge, a tax meant to finance investment in eastern Germany, looks set to change this. The solidarity surcharge is a 7.5 per cent levy on the income tax bill so the mathematics are simple: stop paying church tax and you more than make up for the solidarity surcharge.

Around 400,000 people left their churches in 1993 for a variety of reasons – including the prospect of no more *Kirchensteuer*. Now church officials estimate that secessions in 1994 will rise by around 20 per cent – and run even higher once people receive their first 1995 tax bill at the end of this month.

It is not the first time that Germans have taken their vexation out on the church. When the solidarity surcharge was first introduced in 1991 around 550,000 people are estimated to have stopped paying their church taxes.

It has, however, been difficult to tell whether people are leaving the church because of the rising tax burden or for other reasons.

The most reliable figures come from Bremen, the old Hanseatic port which has for centuries been a bastion of Protestantism. Churchgoers in Bremen are expected to stand up and state the reason why they have decided to stop paying church tax. Around 85 per cent of those who opted out promptly declared they were leaving because of the solidarity surcharge and the Bremen church reckons that it will have to cut its spending in 1995 by up to 15 per cent in order to stay within its budget.

The surcharge was scrapped midway through 1992 but when there was talk of reintroducing it – at twice the 1991 rate – some bishops had already done their homework. Several churches gave their parishioners handouts with a breakdown of what their taxes were spent on, hoping that would subdue the reactions against the solidarity surcharge.

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Joe Slovo: communist revolutionary turned pragmatist

Michael Holman, Africa Editor, remembers a giant of the anti-apartheid struggle

Black South Africans literally sang his praises, many white South Africans wanted to kill him: all are today indebted to him.

Joe Slovo, South Africa's housing minister who died yesterday aged 68, was not only one of Nelson Mandela's oldest friends and closest advisers in the long battle against apartheid.

He was the white man who took up arms against his tribe. And though they reviled him for doing so, he helped secure their future.

With a white South African chief of staff of the ANC guerrilla wing, it was all but impossible for angry black South Africans to succumb to any temptation to turn a struggle for democracy into a war against whites. And secure in his credentials, Slovo's ultimate achievement was to understand the predicament of his enemies, and argue for their place in a democratic South Africa.

It was in 1976 that I first met South Africa's most wanted "terrorist". There, cavorting in the swimming pool in the grounds of my cottage, was a congenial, slightly tubby middle-aged man. We discovered that we shared a taste for Havana cigars and both followed Chelsea's fortunes in the English football league.

It was the start of a relationship in which politics took second place, at least until Joe was able to return to South Africa. The garden and the pool were his sanctuary, physical and mental, and I wished never to intrude on it. But it laid the foundations for a friendship which I cherished, with a man who I came to respect and admire, relishing his anecdotes and benefitting from his insights.

His appearance was deceptive. With tousled silver hair, face turning slightly pink, sharp tongue and the debating skills of the barrister he once was, there was a touch of the Rumpole about him, that fictional barrister, shrewd in court, wise in the ways of the world, and on the side of the underdog.

Slovo sided with South Africa's black majority almost from the day he arrived in Johannesburg in 1936, a ten-year-old Yiddish speaking Lithuanian Jew called Yossel Mashel Slovo; by 17 he had become a member of the Communist party.

But the genial, avuncular figure had another side. He helped form and lead Umkhonto we Sizwe (Spear of the Nation), the ANC's armed wing, committed to the overthrow of apartheid and the cause of the South African Communist party.

For over 20 years his life was at risk. His first wife, Ruth First, was killed by a parcel bomb in Maputo, and a comrade in arms, Chris Hani, was assassinated in 1993. Neither tragedy changed his imperturbable air, and apparent lack of concern for his own safety.

When he returned to South Africa in 1990, the man depicted as public enemy number one astonished his adversaries.

Armed with impeccable credentials, and personifying the non-racial stance of the African National Congress (he became the first white member of its national executive in 1985), mellowed by age and a second marriage, and gripped by a mortal illness – cancer of the bone marrow – he became the conciliator.

Slovo was able to urge pragmatism without alienating the country's impatient, angry black youth.

Thus it was Slovo who took the lead – but with the blessing of Mandela, whose friendship dated back to their time as law students together at Johannesburg's Witswatersand University – in calling for a government of national unity, and stressing the importance of reassuring the white-dominated civil service and security forces.

The role of pragmatist matched his own need to adjust to changing realities at home and abroad.

The sheer might of the South African army, and the collapse of the Soviet Union, the ANC's main ally, forced Slovo to concede that a military victory was impossible.

The Soviet Union's collapse was also an intellectual and personal blow for someone who had been sustained by communism's precepts since the age of 17, when he joined the South African Communist Party, later to become its chairman.

The painful process was helped by his self-deprecating sense of humour. "Socialism can come later," he said to friends as he explained over dinner the need to reach an accommodation with the ruling National Party, and paused before adding: "...when I have discovered what it is."

And finally, the years in exile, operating from bases in Angola, Zambia and Mozambique gave him first hand experience of the failure of post independence Africa.

He leaves behind a communist party which is still to discover its post apartheid role, and still to rid itself of past associations, and suspicions that it acts as a powerful cabal in South African politics.

"What you see and hear is what you get," said Slovo at a campaign meeting last year. "No hidden agenda," he went on and readily conceded the "murky side" to the communist past, "locked into horrific Stalinist distortions".

Many south Africans remained unconvinced. Slovo himself remained something of an enigma, the suspicion lingering that he did in fact cling to an agenda of his own. Nor was it easy to reconcile what seemed to be the two Joe Slovos – the genial public figure and the committed revolutionary.

"I hope there is only one Joe Slovo," he replied in response to the question I put to him on one of my last meetings. What struck me was that he made no attempt to deny or conceal that there was steel below the avuncular surface. I suspect that his objective sought from the age of 17 stayed much the same – an egalitarian society. The only difference was that he had lost the confidence about how to achieve it.

For all his charm, Joe retained a detachment about his adversaries that was almost chilling. He resisted the bonding process of late night negotiations and shared whiskies, and stayed coolly analytical.

It was as if his Marxist background still dominated, making him see the men and women negotiators opposite him more as pawns in the class struggle than individuals whose personalities could in themselves influence the outcome of the constitutional talks on South Africa's future.

As the cancer of the bone marrow began to sap his vitality I asked him how he kept up a punishing schedule.

"I know it sounds corny," he replied, "but I get strength from the people." Never was this more apparent than during last year's election campaign.

By then Slovo was showing the strain, a grey haired elderly man, slightly stooped and thinning, who wearily climbed the steps from behind onto the podium.

But as he came into view, a deep roar of applause greeted him and Joe literally grew in stature, the energy of the crowd rejuvenating him.

His appointment last May as housing minister in South Africa's first government of national unity was a master stroke. If anybody could deliver the ANC's campaign promise to reduce the housing backlog by one million homes a year it would have been Joe Slovo, who in characteristic style immediately set about building an alliance between government and the private sector.

But his loss to South Africa goes beyond the portfolio, important though it is. Slovo was one of a handful of men and women, Nelson Mandela, Walter and Albertina Sisulu among them, whose character and credentials combined to give them a moral authority which transcended party, race or creed.

No country can afford such a loss, least of all South Africa, approaching a crisis of black expectations, and above all still in the process of putting the final shape to its constitution. It is here that Joe Slovo, revolutionary turned pragmatist, will be missed most.

Joe Slovo: reviled by whites, revered by blacks, his moral authority was a key element in South Africa's peaceful transition to democracy Glyn Genin

Death is severe blow to the government

By Mark Suzman in Johannesburg

The death of Mr Joe Slovo, South African minister of housing, has robbed the ruling African National Congress of one of its most important political strategists. The government had been relying on his political credibility and pragmatism to find a solution to the country's housing crisis.

Ms Sankie Nkondo, deputy minister of welfare, is to replace Mr Slovo. Ms Nkondo, the party's former deputy head of international affairs, is well-respected within the ANC, but she does not have a substantial grassroots following and her lack of familiarity with the issues will make it difficult for her to tackle the complex housing problem with alacrity. At last month's ANC national conference she ran for the post of deputy secretary-general but was soundly defeated by Ms Cheryl Carolus, the party's policy head.

Mr Mandela, long a personal friend of Mr Slovo, spent an hour with him on Thursday night following news that he was ailing and returned to Mr Slovo's home after receiving news of his death from bone marrow cancer early yesterday. morning. Mr Mandela said the nation mourned the passing of one of its greatest patriots. "Slovo dedicated his life to the struggle for justice, democracy and freedom in our country," he said.

Deputy President F W de Klerk also expressed his deep regret at Mr Slovo's passing. "His contribution in cabinet with regard to his portfolio of housing and matters of general interest has been excellent and will be missed," he said.

During his brief period in office Mr Slovo, 68, was widely applauded as one of the hardest-working and most effective of the new cabinet ministers and initiated a number of innovative schemes, both private and public, to finance housing projects to serve the country's 7m homeless.

Given his reputation as a leading militant he was also able to take a hardline stand on the corrosive rent and service boycotts affecting black townships and last year engineered a housing accord which signalled the government's commitment to evict tenants who continued to withhold payment.

Property fears hit HK stocks

By Simon Holberton in Hong Kong

Hong Kong's financial markets took another battering yesterday as international investors shed stocks amid fears that the property market, the backbone of confidence in the colony, was cracking.

The latest rout comes at a time of growing international disenchantment with emerging markets in the wake of Mexico's currency crisis, although no one likens Hong Kong's problems to those of Mexico's.

Since New Year trading started on Monday, the colony's stock market has been subjected to waves of selling, mostly prompted by concerns about rising interest rates and a fresh outbreak of Sino-US trade conflict.

Those concerns still remain, but the market took fright yesterday after it became known that the colony's leading property developers planned to make steep cuts in prices for new homes in an attempt to stimulate demand. Proposed price reductions vary according to quality and range from 10 to 23 per cent.

These cuts mean that prices in the past 10 months have fallen by up to 30-40 per cent. Property analysts, who are as gloomy as those who follow stocks, said more price reductions might be in the pipeline.

Cheung Kong, the flagship of tycoon Mr Li Ka-shing, said it would cut prices for its Laguna City development in Kowloon by 10.2 per cent to an average of HK$5,800 ($442.77) per square foot. "We just follow the market and hope to achieve good sales near the Chinese New Year," a company official said.

Mr Archie Hart, head of research at Crosby Securities, said that international investors, especially those from the US, UK and Japan, were sellers. "The one thing they have in common is that they have lived through property crashes in the past five years," he said.

Mr Hart said he believed Hong Kong was different. The economy was buoyant, with full employment and strong income growth, he said.

Analysts estimate that more than 60 per cent of the Hong Kong market's earnings derive from property and banking. With earnings in both sectors under growing pressure, it is understandable that share prices should be weak.

The Hang Seng index of leading blue chip stocks ended at 7,683.25 – 2.97 per cent down on the day, 6.2 per cent down on the week, and 37 per cent off its peak of a year ago.

● China's experiment with a free press ends today when the Beijing-printed edition of the Hongkong Standard is published for the last time. Just four months into a three-year contract, the Standard's printer in the Chinese capital has told the paper it can no longer print it due to "technical and print capacity problems".

The Standard was the first newspaper to be published in China that did not come under the control of the Communist party's powerful propaganda apparatus. Beijing's decision to axe the Standard bodes ill for foreign media companies looking to expand into China.

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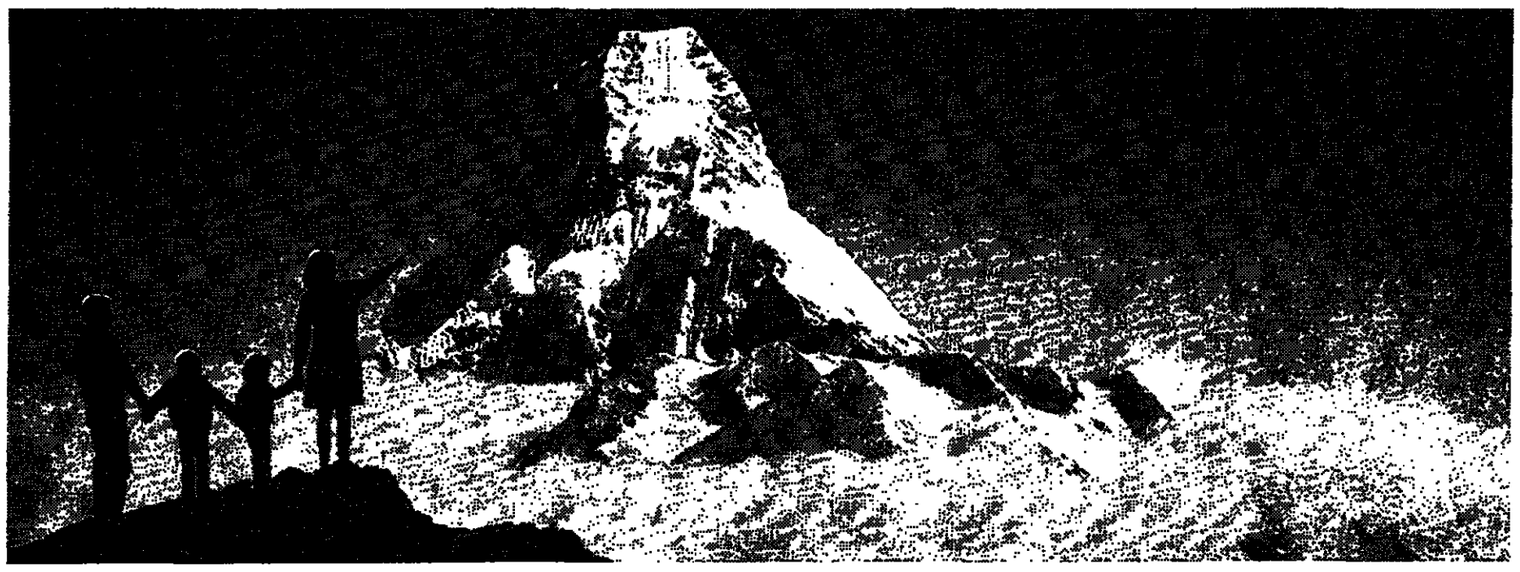

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10 Years	£6,000	£10,480	£8,131	£12,000	£20,961	£16,262	£30,000	£52,402	£40,656
15 Years	£9,000	£29,153	£15,216	£18,000	£58,306	£30,432	£45,000	£145,765	£76,080
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Mexicans set out to boost confidence

By Stephen Fidler and Ted Bardacke in Mexico City, and Lisa Bransten in New York

Mexican government officials were again attempting yesterday to shore up confidence in their economy in meetings with international financial institutions following the country's currency crisis.

Finance minister Mr Guillermo Ortiz was yesterday meeting Mr Michel Camdessus, managing director of the International Monetary Fund, for discussions over standby credit. According to IMF guidelines, Mexico, which already owes some $3.9bn (£2.5bn) to the fund, could borrow up to $3.5bn more, $2.5bn of it this year.

However, the peso weakened to 5.9 to the dollar compared with 5.35 at Thursday's close. The IPC Mexican stock market index was down 0.21 per cent at midday.

The decision to seek the strict quarterly IMF monitoring, which comes with a standby loan agreement, was apparently motivated more by the need to make further confidence-building gestures to international investors, than by the need for further finance.

Government officials had previously said they intended just to seek an "enhanced monitoring" programme from the fund, implying less strict IMF oversight and no access to finance.

While Mr Ortiz was also meeting US Treasury and World Bank officials, the new foreign minister, Mr Angel Gurria, was sent to Japan to explain the new Mexican programme. Other senior officials are scheduled to head to Europe early next week.

Japan yesterday responded to Mexico's plea for help to resolve its financial crisis with a promise of "substantial commitments" to an $18bn international support package.

Mr Masayoshi Takemura, the finance minister, said the Mexican crisis had become "the greatest concern" in the US, and required international co-operation. Mexico asked for loans from Japan in time to discuss the request before prime minister Tomiichi Murayama meets President Bill Clinton in Washington next Wednesday.

Mexico has requested four commercial banks, the Bank of Tokyo, the Industrial Bank of Japan, Sumitomo Bank and Fuji Bank, to provide credits of $1.2bn, split equally. On top of this, the Bank of Japan is considering providing more than $1bn to a $5bn package of loans through the Bank of International Settlements.

Further details emerged about plans to avoid any bank failures which may be prompted by the financial crisis. Officials in Mexico said the deposit protection fund had around $6bn in resources.

After assessing their year-end position, any banks needing further capital would be able to negotiate 10-year subordinated loans from the fund – a plan similar to that used by Chile during a banking crisis in the early 1980s.

The emphasis will be on providing capital for weaker banks rather than general liquidity for the banking system, so as to keep tight control over monetary policy.

Mr Ortiz's Thursday visit to New York to calm investor nerves was adjudged to have been a relative success. However, some investors were left with some doubts about whether it would be enough.

"Is the money going to rush back into Mexico?" asked one US fund manager. "I don't think it's going to until there are signs they are accomplishing their goals."

There was also some disappointment that the government had not announced plans to move further on the privatisation of the state oil monopoly, Pemex.

Argentina's economic system urged on Mexico

By David Pilling in Buenos Aires

Mexico may eventually be forced to implement "transparent and rigorous" exchange rate policies similar to those employed in Argentina if it is to overcome its financial crisis, according to Mr Domingo Cavallo, Argentina's economy minister.

In an interview in which he stressed what he saw as the structural superiority of the Argentine over the Mexican economy, Mr Cavallo said that, "if Mexico wants to diminish the degree of uncertainty over its future, it will have to adopt an exchange regime that provokes the maximum transparency. If not, it will not be able to convince anybody."

"Countries wishing to reduce exchange rate uncertainty... will have to implement extremely rigorous commitments of the kind that were adopted under [Argentina's] convertibility plan," he said.

Convertibility, engineered by Mr Cavallo and launched in 1991, fixes by law the parity of the peso with the dollar.

More important, not a single peso can be printed without an equivalent inflow of foreign currency, while holders of pesos are free to exchange them for dollars at any time.

"Only a system such as ours assures the transparency necessary to avoid surprises of the kind we have witnessed in Mexico," said Mr Cavallo. "For example, in Mexico everyone has just discovered that reserves fell from $19bn in November 1993 to $7bn when the peso was devalued... This would be impossible in Argentina."

Mr Cavallo, who on Tuesday will return to New York in an effort to lift battered investor confidence, pointed to the emergence in Argentina last year of a third-quarter $600m (£385m) deficit. Convertibility ensured that this immediately became public knowledge, he said, obliging the government to adopt stringent budget cuts. As a result, there was an "insignificant" deficit of $300m in 1994, and measures had been taken to ensure a balanced budget this year.

"Why did this happen in Argentina? Not because our politicians have a talent for sincerity greater than that of their Mexican colleagues, but because the system obliges us."

Although the Mexican debacle had had a devastating knock-on effect in Argentina, sending stocks and bonds tumbling and short-term interest rates sky high, Mr Cavallo insisted that the crisis would benefit Argentina in the long term.

"It will serve to prove the highly robust fiscal, monetary and exchange rate characteristics of Argentina," he said. Having survived its test of fire, Argentina would "differentiate itself from Mexico".

Mr Cavallo admitted that the gale blowing through Buenos Aires markets was "very serious" and would significantly raise the cost of new public borrowing.

Argentina would issue no new external debt in the first quarter, he said.

He denied, however, that strains in the financial sector – which have already contributed to the suspension from trading of one bank and one broker – would lead to solvency problems.

He said the central bank had deliberately slowed the expansion of the banking sector in recent years and its conservative policies were now being vindicated.

The fall-out from Mexico was no more than a "summer storm", Mr Cavallo insisted. He did concede that summer in the southern hemisphere still has two months to run.

Boom in light truck sales brings industry's best performance since 1988

Good times return for US carmakers

By Kevin Done, Motor Industry Correspondent, in Detroit

US new vehicle sales rose last year by 8.5 per cent to 15.4m from 14.2m a year earlier, in the industry's strongest performance since 1988.

Sales have been rising for three years in succession, with some US car and truck makers earning record profits.

The industry expects demand to strengthen further this year, with Ford, the second largest US vehicle maker, forecasting that new vehicle sales would rise to around 15.9m in 1995 to make it the US motor industry's second best year behind the peak of 16.3m reached in 1986.

Sales of new passenger vehicles – cars and light trucks, – rose by 8.5 per cent to 15.09m last year from 13.9m a year earlier.

The rise in the US new vehicle market is being driven in particular by the surge in the popularity of light trucks, a category which includes pick-ups, minivans (known as multipurpose vehicles or MPVs in Europe) and four-wheel drive sports/utility vehicles.

Light truck sales rose by 13 per cent last year to a record 6.1m and accounted for 40 per cent of the total US passenger vehicle market, as traditional car buyers continue to switch to light trucks for personal transport. New car sales increased by only 5.6 per cent to 8.99m.

Higher sales of light trucks are boosting the fortunes in particular of the big three domestic US vehicle makers, General Motors, Ford and Chrysler, which dominate the sector. Many categories of light trucks are protected by a 25 per cent import duty and light trucks traditionally have much higher profit margins than cars.

GM, Ford and Chrysler all saw record light truck sales last year with Chrysler achieving record overall sales.

Despite these increases the big three US vehicle makers still suffered a slight erosion of their overall market share to 73.1 per cent from 73.9 per cent a year earlier, as Japanese producers fought hard to maintain their presence despite the heavy burden of the rapid appreciation in the value of the yen.

The GM group increased its total vehicle sales by 7.4 per cent to 5.063m. Its share of the car and light truck market fell to 33.2 per cent from 33.5 per cent.

Ford increased its total vehicle sales by 7.3 per cent to 3.87m, with its share falling to 25.3 from 25.6 per cent, while Chrysler's share also fell slightly to 14.6 from 14.7 per cent.

The share of Japanese brand names in the US car and light truck market rose marginally to 23.2 per cent from 23.1 per cent a year earlier with Honda, Nissan and Mitsubishi all raising their shares.

Leading Japanese carmakers are seeking to increase further their local production in North America – Toyota output is set to rise from 500,000 last year to 900,000 in 1998 – and they have chosen to sacrifice profits rather than sales in order to maintain market share with the Japanese domestic market still at a low ebb.

European producers have only a small share of the overall US car and light truck market with Fiat, Peugeot Citroen and Renault all virtually absent, but the remaining manufacturers performed strongly, raising their overall share last year to 2.7 from 2.3 per cent.

Volkswagen is recovering after several weak years and more than doubled VW brand sales last year to 101,718 and became the leading European importer. Land Rover increased its sales by 145 per cent, while BMW, Volvo, Mercedes-Benz and Saab all outperformed the market.

Chrysler sees market share improve from bad to verse

Kevin Done watches Detroit go Hollywood

New frog on the pond: Chrysler chairman Robert Eaton introduces the minivan Reuter

Hollywood has come to Motown this week, finally obliterating the always thin line between glitz and glamour car launches and show business.

With a pantomime backdrop – the rays of a setting sun over a lake – with rocks, a waterfall and a lily pond, and to the background accompaniment of croaking bullfrogs, enter stage left Mr Robert Eaton and Mr Robert Lutz, chairman and president of Chrysler, the smallest of the big three US carmakers. Four years ago it was close to financial collapse. Today it is the world's most profitable mainstream carmaker.

In cosy cardigans and with big story books in hand they sit cross-legged on two rocks centre stage to begin to relate a fairy tale. In verse. (It is probably the first car launch ever written in – almost – rhyming couplets).

"Long ago and far away/Ten minutes from here and twelve years to the day/ A team known as Chrysler set out on a quest/To develop a vehicle at the public's request."

Welcome to the launch of Chrysler's new generation Dodge Caravan/Plymouth Voyager minivan, the vehicle that will replace this year the first Chrysler minivan, developed those 12 years ago, which helped to pioneer a whole new segment of the world vehicle market.

The tale unfolds. Suddenly, from a cartoon screen to the right, the storytellers are rudely interrupted by an interactive muppet, a cousin of Kermit the frog. "What in the heck are you doing in my pond?"

The purpose? Chrysler wants to plant the image that once again it has leapfrogged ahead of the competition.

"And that is the moral of our story so far/We've set a new bench-mark by raising the bar," smiles Mr Lutz, the former marine pilot and BMW and Ford executive, who has been a driving force behind Chrysler's recovery.

Time for the coup *de théâtre*. From behind rocks to the right, a full-sized new generation Chrysler minivan leapfrogs – without visible means of support and with Kermit at the wheel – across the stage to splash-land on the pond's lily-pads.

The hype is there, but it remains a powerful image.

The world car industry is restructuring at high speed, and the tables have been turned in the last couple of years. In 1994, the US became the world's leading vehicle maker, overhauling Japan for the first time since the end of the 1970s.

There have been record profits in recent quarters at both Chrysler and Ford, while in Japan and Europe leading producers from Nissan and Mazda to Volkswagen and Fiat have been battling in 1994 to overcome the previous year's losses.

By contrast, the US emerged from recession first. The North American industry now has three successive years of rising sales behind it, and further growth is forecast for 1995.

The highly profitable Chrysler and Ford are in celebratory mood. While outside chilling winds are sweeping across Detroit, and the ice floes jostle down the Detroit river, in the adjacent Cobo Hall, the temperature inside Detroit's North American International motor show is hot.

The fortunes of the US car industry have been transformed since the dark years of the early 1990s, when GM, Ford and Chrysler were mired in deep losses and the chairmen and chief executives of the big three US carmakers accompanied President George Bush to Tokyo to cajole, beg and threaten for relief from the Japanese onslaught.

The contrasting experiences of recovery in the US and recession in Japan, coupled with the appreciation of the yen and the nosedive of the dollar, have worked wonders for the performance of the US carmakers.

But a much more fundamental restructuring has also taken place, and the US industry is celebrating this week the fact that it is no longer only to Japan that one must look for benchmarks of excellence in the world car industry.

Inevitably, progress is uneven. General Motors, highly successful in Europe, is still struggling to catch up in North America. The jury is still out on the pace of its recovery, but it is closing the gap.

Ford, and most remarkably Chrysler, are back among the most profitable vehicle makers in the world, however. On the crest of a wave, Ford has embarked on the biggest reorganisation in its history in the quest for global leadership, while Chrysler vehicles are being minutely dismantled by its Japanese competitors eager to learn new lessons.

"We know it because they keep asking to drop by and talk," says Mr Eaton. "This is a sea change in the industry. In the '80s we were doing the same thing to Japanese vehicles. We still do. We've been learning from them. Words like 'kaizen' [continuous improvement] have become part of our vocabulary. Now we are proud that they are learning from us."

Calendar row hits Brazil senate

By Angus Foster in São Paulo

While Mexico's peso tumbles, Argentina's stock market dives and confidence ebbs from Latin America, Brazil's senate has decided the country does not need a central bank president.

Mr Persio Arida, a highly regarded economist named for the job last year, is still waiting to take over because the senate has not yet mustered the quorum to approve his nomination. Mr Arida is unable to sign anything until his name has been approved.

Brazil's politicians often display a remarkably laid-back attitude to financial matters. But the senate's failure to raise a quorum owes more to the Brazilian taste for deal-making and a strange tale about the senate printing press.

The story begins with Senator Humberto Lucena, the senate president, who used the press to print 130,000 calendars which he distributed free as part of his October re-election campaign. Use of the press in elections is against Brazil's election laws. The printing bill exceeded his annual allowance as a senator. Brazil's election authorities, backed up by the supreme court, ruled that Mr Lucena lose his seat.

But the senator has refused to leave, even using his influence to grant himself a senate amnesty from the supreme court's decision. All he needs now is for the lower house of congress to approve the amnesty which it appears unwilling to do.

Some of the senator's friends have been turning up at the senate but refusing to vote. They hope that by refusing to approve Mr Arida, they can press the government to use its influence in the lower house to get the amnesty approved.

Mr Fernando Henrique Cardoso, who became president on January 1, is unlikely to bow to such threats, so the country is likely to remain without a central bank president for some weeks yet. The next attempt to muster a quorum is to take place in 10 days. This is unfortunate since, with respect for congress already at rock bottom, congressmen will also be deciding then whether to award themselves a 100 per cent pay rise, to take their average annual pay to $140,000.

Guatemala bank chief confident

By Edward Orlebar in Guatemala City

Guatemala's central bank president is predicting the economy will grow by 5 per cent and inflation will be kept under 10 per cent in 1995.

In a review of monetary policy, Mr Willy Zapata said the economy grew 4 per cent last year and inflation reached 11.6 per cent, despite political instability and a serious drought.

Reserves increased from $735m at the end of 1993 to $815m at the end of 1994, while average interest rates have dropped from 25.5 per cent to 19.5 per cent.

The private sector has complained that rates are too high and is calling for a reduction in the legal reserve requirement which obliges banks to deposit 34 per cent of their capital at very low interest in the central bank.

But Mr Zapata was forthright about the bank's primary concern with inflation. "The central objective of monetary policy is to maintain price stability in order to foster ordered and sustainable growth – we are going in the right direction," he said.

Mr Zapata was upbeat that the government would sign a shadow standby agreement with the International Monetary Fund, possibly in February. He said conditions were more favourable than when the last agreement was signed a year ago because of the passage in November of wide-ranging tax reforms intended to increase revenue substantially.

Despite a real appreciation in the quetzal of around 5 per cent against the dollar last year after exchange controls were eased, Mr Zapata said exports had not lost competitiveness. Non-traditional exports grew by 24 per cent in 1994, he said. Nevertheless, the trade deficit exceeded $1bn.

According to bank data, total exports grew from $1.34bn in 1993 to $1.53bn in 1994. Coffee revenue was up from $267m to $334m, and sugar increased from $145m to $170m. The bank estimates that coffee revenue will grow to $561m and sugar will reach $215m in 1995.

Haitians try to bring tattered economy back from the dead

Debt arrears have been cleared and foreign investors are being sought, reports Canute James

Haiti's recently re-installed government has started implementing a series of far-reaching economic reforms intended to stabilise and then to breathe life into the most tattered economy in the Americas.

Having reached an agreement last month with the International Monetary Fund, the World Bank and the Inter-American Development Bank for clearing the $83m (£53m) arrears on its foreign debt, the government has opened the door to desperately needed money and is expecting the first tranche from an emergency loan of $40m from the World Bank within a few weeks.

This will be followed by new aid and loans totalling just under $660m in the next 15 months, after the government of President Jean-Bertrand Aristide and the IMF conclude a standby credit agreement. Haitian officials expect an agreement with the IMF by the end of this month.

Clearing the arrears was a big hurdle for the government, and a source of some pride to Mrs Marie Michele Rey, the finance minister. "We raised $18m of the $83m by ourselves, with the rest coming from several donors," she explains.

> Clearing the arrears is a source of pride to the finance minister

Over the three years of military rule after Mr Aristide went into exile, Haiti defaulted on servicing its foreign debt of $820m. The situation would have been worse were it not for France's write-off of $55m in July 1991.

The Haitian government is concluding a letter of intent which will be sent to the IMF in a few days, outlining its medium-term economic programme. Some of the reforms in it are already being implemented.

"We have lowered import duties on certain products of strong popular consumption in order to lower the cost of living," explains Mr Maurice LaFortune, commerce and industry minister. "We also have eliminated import licences to stimulate trade activities. Instructions have been given to the customs and port authorities to expedite the clearance of imported goods."

The programme includes measures to cut the fiscal deficit and curb inflation. Controls on interest rates are being removed to allow these to be determined by the market.

The government has obtained foreign assistance to evaluate several state enterprises and services which are to be divested. Heading the list for sale to the local and foreign private sector are the cement and flour industries and the telephone and electricity companies.

The foreign currency market will continue to be deregulated, with the central bank intervening only to purchase for its own operations. Taxes on petroleum products are being revised and the subsidy removed so prices will be at market rates.

"Tariff reductions will be compatible with Gatt-proposed rates but Haiti wishes to obtain an special treatment for certain products considered strategic, especially in agriculture," Mrs Rey says. Consequently, tariffs will be maintained on rice, corn, beans and sorghum, although these will be halved.

Government officials hope these measures will rebuild Haiti's foreign trade. The country's exports declined from $163m in 1991 to $72m in 1993, while imports fell from $300m to $173m in the same period.

The government's efforts to strengthen the feeble economy are being accompanied by measures to attract foreign investors, particularly those who were involved in the assembly of a range of products, mainly clothing, baseballs and electrical appliances, for the US market. The assembly industry was killed by an economic embargo, contributing to a fall in gross domestic product to $1.9bn in 1993 from $2.2bn in 1991.

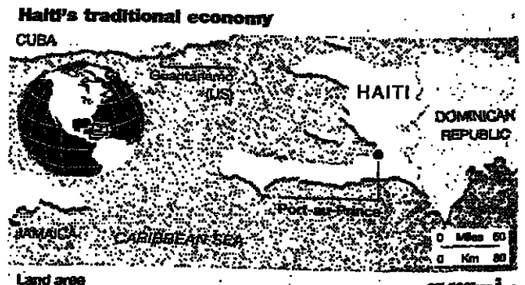
> The assembly industry in Haiti was killed by the economic embargo

"This was the most dynamic sector of the economy before 1991," says Mrs Rey. "As a result of those investments, there are between 50,000 and 60,000 workers and over 3m sq ft of plant space waiting for investors."

"Although there will be no rush of investors back to Haiti, there are some who are willing to go back," says Mr Andrew Postal, president of Judy Bond of the US, which has operated in Haiti. Mr James Gibbons of Haitian Tropical Management, which produces mangoes, says Haiti is not an easy place to do business. "Getting industry back will take hard work by the Haitian government, and private sector and foreign investors."

The Overseas Private Investment Corporation, a federal agency which provides risk coverage for US business, is encouraging investors by providing $100m to cover investments in Haiti. "We feel the US government should help US companies willing to do business with Haiti," says Mr Richard Morningstar, a senior vice-president of Opic.

Haiti's traditional economy



Land area			27,560km²
Coastline			1,771km
Land boundary with Dominican Republic			275km
Population			6.5m
Capital: Port-au-Prince			800,000
GDP (1991)			$2.2bn
Exports (1991)			$163m
Main products		Main destinations	
Light manufactured	65%	US	76.7%
Coffee	19%	EU	16.5%
Other agriculture	8%		
Imports (1991)			$300m
Main products		Main origins	
Machines & manufactures	34%	US	56.3%
Food & beverages	22%	EU	16.9%
Petroleum products	14%		

Source: CIA, ABC-Clio, EIU and FT estimates, 1988-91

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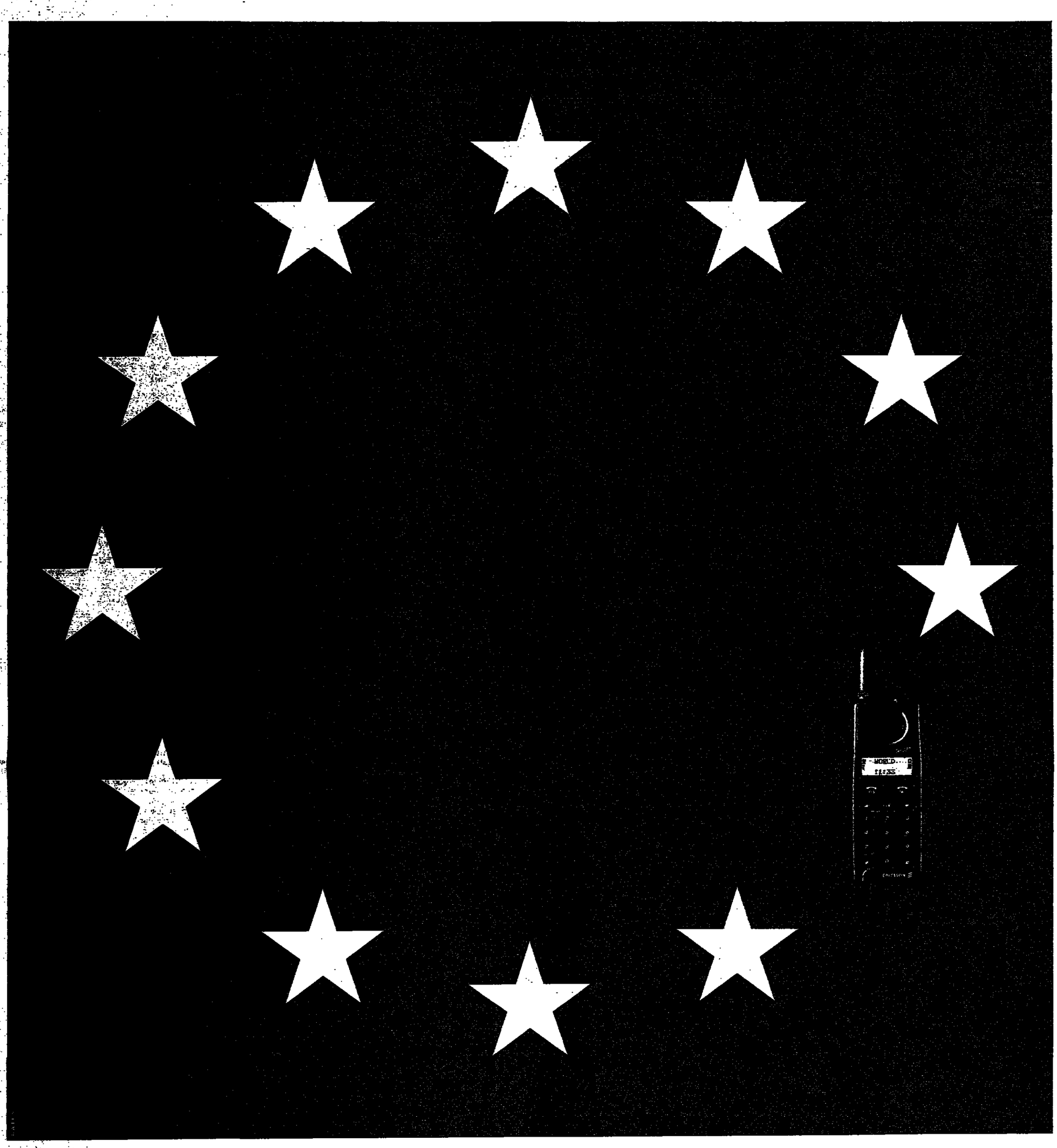

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Government told to go-it-alone on ferry safety

By Charles Batchelor, Transport Correspondent

The government was yesterday urged to take unilateral action to improve the safety of roll-on roll-off ferries if the International Maritime Organisation proves incapable of acting speedily.

The Royal Academy of Engineering, an independent organisation of professional engineers, called for all ferries to be designed to allow 30 minutes for evacuation if water entered their car decks. It also said that the maritime organisation's timetable for modifying older ferries should be speeded up.

The academy launched a review of safety following the sinking of the Estonia in the Baltic last September with the loss of more than 900 lives.

The Department of Transport welcomed the recommendations but said the UK had already taken action, together with the main European shipping nations, to improve safety standards in the wake of the sinking of the Herald of Free Enterprise in 1987.

The academy said that if roll-on roll-off ferries were damaged near the waterline they "exhibit a significant vulnerability which is not evident in conventional passenger ships ... because of the existence of a large non-compartmentalised space, the car deck".

The latest standard issued by the maritime organisation does not require vessels to remain upright for 30 minutes, particularly in rough seas, the academy said. The standard will also not apply to some older vessels until 2005.

The academy called on the UK to initiate Europe-wide action to achieve the 30-minute standard and, failing that, to take unilateral action. The Department of Transport said the UK had already persuaded its European partners to bring in tougher standards to be phased in for older vessels.

Ferries must be modified to survive the flooding of one watertight compartment below the car deck by 2004 and to survive the flooding of two compartments by 2007.

The academy said that the cost of modifications or their operational disadvantages should not be allowed as an excuse to avoid taking action because other means of mass public transport had criteria imposed for evacuation times.

It did not recommend any specific measures which could be taken to improve a ferry's ability to stay afloat but bulkheads or partitions sub-dividing the car deck and additional buoyancy compartments have been suggested.

A Department of Transport study carried out in 1991 looked at 15 ferries and calculated that the cost of modifications would range from £10,000 to £2.61m per vessel. The total cost of modifying the then UK ferry fleet of 57 vessels was put at between £70m and £85m, with a further £12m to £22m of additional annual running costs resulting from slower turnaround times and increased use of fuel because of the increased vessel weight.

Ro-ro Ferries and the Safety of the Travelling Public. Royal Academy of Engineering. 29 Great Peter Street, London SW1P 3LW. Free.

Ex-contractor raps workers' new conditions

By Andrew Bolger, Employment Correspondent

Brophy, a private company which maintains parks and gardens for local authorities, is trying to ensure that 27 former employees do not suffer a decline in working conditions as a result of Devon County Council regaining a contract.

London-based Brophy lost the contract to maintain Devon schools grounds after five years to a bid from the Liberal Democrat-controlled council's direct services arm.

It said the conditions being offered to its former employees were worse than those they had enjoyed and which are guaranteed under the Transfer of Undertakings (Protection of Employment) Regulations, known as Tupe.

Mr Brian Tranter, managing director of Brophy, said: "Some of my men will be worse off to the tune of £60 per week. If the new employer does not match our existing conditions, we will make sure they receive appropriate advice."

The employees are likely to be advised to accept the new council contracts under protest, then seek redress through industrial tribunals.

Last night Devon Direct Services said: "We believe the staff have transferred under Tupe. Currently negotiations are going on to increase their basic pay by a substantial amount. Various other matters are being discussed."

Mr Tranter said it was not true that contracting out always involved the private sector undercutting council terms and conditions. Brophy had always fulfilled its obligations under Tupe. He knew of several examples of local authorities seeking to undercut private-sector rivals.

The GMB general union yesterday signed what it described as a ground-breaking recognition deal with Brophy, which has contracts worth £22m a year with more than 70 local authorities. Union members working for Brophy will have full negotiating rights and will have their pay and employment terms protected.

Mr Tranter said: "This agreement is the first in the industry and reflects the need for a change from the confrontation brought about by competitive tendering to co-operation."

Mr Mick Graham, union national secretary for public services, said: "This contract is a recognition of a new relationship between the GMB and private-sector companies providing local government services."

Waldegrave moves on animal protests

By Deborah Hargreaves

Mr William Waldegrave, agriculture minister, called on animal welfare groups yesterday to lobby Brussels for improved animal welfare standards in Europe rather than protesting at British ports.

His comments followed the arrest of seven protestors at Shoreham-by-Sea in West Sussex on Thursday after they failed to stop lorries loading shipments of calves and sheep to Dieppe in northern France.

Mr Waldegrave met farmers' leaders yesterday to hear their concerns about the violence, and also plans to meet animal welfare groups next week.

He said: "It would be illegal for us to ban a perfectly legitimate trade. We need actionable change on animal welfare regulations in Europe."

Mr David Bellotti, chairman of the Sussex Police Authority, called on the port of Shoreham to reconsider its stand on the export of live animals.

He said the county could not afford the cost of policing the protests which had reached £350,000 yesterday.

But Mr Phillip Lacey, manager of the Shoreham port authority, said the port could not turn trade away. "It is appalling that we are caught in the middle and left exposed to violent demonstrations and personal threats by people who misguidedly think we can prevent the trade."

Mr Waldegrave's comments came as an exporter of calves for the veal trade and two transport companies were found guilty of a series of animal cruelty charges. Albert Hall Farms, of Strensall, York, was fined a total of £12,000 and ordered to pay costs of £9,971. The company had denied causing calves to be transported in a way likely to cause unnecessary suffering and failing to draw up and keep journey plans for six months.

Two transport companies were also found guilty by the magistrates, together with four of their drivers.

The prosecution, brought by North Yorkshire Trading Standards, claimed the calves were packed into lorries for 37 hours without food, water and rest for 1,100 miles to south west France. The animals should have been given rest and nutrition every 15 hours.

Ken Lane Transport and Europan, both of Retford, Nottinghamshire, were found guilty of failing to ensure water, feed and rest periods were provided on the journeys at suitable intervals and of transporting calves in a way likely to cause unnecessary suffering. Each was fined £1,400.

Ashley Ashwood

William Waldegrave stressed that change to rules on the welfare of animals destined for the meat trade needs to come from Brussels

Oil prices firm as fields stay shut

International oil prices firmed yesterday as several big North Sea fields remained shut due to damage from storms earlier in the week, Robert Corzine writes.

Shell has delayed restarting the 80,000-barrel-a-day Brent Alpha platform, shut since January 1, until early next week because of repairs.

The storm, which hit a number of North Sea platforms on New Year's Day, was one of the worse in recent years, according to oil company officials.

Chevron said yesterday it was hoping to get partial production from its Alba field by the weekend. The storm damaged electrical circuits which control the facility's automatic shutdown machinery. Chevron has asked for government clearance to operate the emergency system manually until full repairs can be completed.

170 rail signalling design jobs to go

The rail signalling design office in York is to close with the loss of 170 jobs. The office, part of the Interlogic Control Engineering workforce which also has offices in Reading, Berkshire and Birmingham, is to close as a result of cuts in rail signalling projects.

British Rail said no date had been fixed for the closure, but that staff would be offered other jobs within BR or voluntary severance terms.

Clarke accepts changes to RPI

The way in which the retail prices index is calculated is to change slightly after Mr Kenneth Clarke, chancellor, yesterday accepted the majority proposals from the independent panel which advises the Central Statistical Office on the RPI.

Under the changes, a wider range of mortgage interest payments will be used to calculate housing costs and depreciation charges will be included in calculating the housing index.

More controversial proposals from one member of the committee, Sir Samuel Brittan, to exclude mortgage interest payments completely from the main index appear unlikely to go ahead.

Coventry air crash still a mystery

The cause of last month's Coventry air crash remained unknown last night after an interim accident report ruled out a wrongly set altimeter.

The British Airline Pilots Association last night said that the crew of the aircraft had exceeded the length of duty time UK pilots are allowed to fly.

The UK-permitted duty time is nine hours while the Air Algerie crew would have been on duty for more than 10 hours had they landed safely at Coventry, the union said.

The Air Accidents Investigation Branch gave no indication as to why the Boeing 737 crashed killing five people on December 21.

Elite background of judges shown

All 26 judicial appointments to the High Court during 1993 and last year were people who went to private fee-paying schools, and 82 per cent attended either Oxford or Cambridge universities, Labour MP Mr Stephen Byers, said yesterday.

Mr Byers published his findings as the Lord Chancellor, Lord Mackay, prepared to conduct interviews for the first time for appointments to lower-level courts following public advertisements.

Insurance phone sales 'set to rise'

More than 80 per cent of household and private motor insurance will be sold by telephone in 2000, says a report by Datamonitor, the management consultancy. About 60 per cent of sales are now telephone-based.

Tory official quits

Mr Simon Brooke, the Conservative Party's head of broadcasting, is to leave Conservative Central Office at the end of the month after nearly five years. He said he would take time out before the run-up to the next general election.

City airport boost

London City airport handled 479,889 passengers last year, almost double the 1993 figure.

Lloyd's rates fall for first time in 4 years

By Ralph Atkins, Insurance Correspondent

Insurance premium rates at Lloyd's of London are falling for the first time in at least four years, highlighting the market's vulnerability to international trends in insurance policy rates.

Results yesterday of a survey carried out by Lloyd's of 53 underwriters suggested the insurance market's profits for this year may be squeezed – just as it hopes the worst of its troubles are over.

The number of Lloyd's underwriters expecting a fall in premium rates in the next three months comfortably exceeds those expecting a rise, according to the survey. It is the first time since the survey began in 1991 that more underwriters are expecting reductions than increases.

Mr Raymond Dumas, underwriter on syndicate 1028, run by the Wellington managing agency, said yesterday: "Premiums are off the top and falling."

Lloyd's does not indicate by how much premium rates have fallen but brokers yesterday reported that property reinsurance premiums have fallen by about 15 per cent during this renewal season, and some other policies have fallen by up to 40 per cent.

Lloyd's is relying on good profits in 1993 and 1994 to help revive its prospects – although the results for these years will not be reported until 1996 and 1997 under the market's three-year accounting system.

Profit figures for 1995 will depend on the extent to which the substantial premium rate increases of the past few years continue to provide a cushion.

With much of Lloyd's business consisting of reinsurance policies – by which insurers buy protection against big losses – Lloyd's has been affected by the extra funds invested in reinsurance in recent years, particularly in Bermuda. Investors have been attracted by the high profits now being made in insurance.

Mr John Pelly, chairman of non-marine reinsurance at broker Willis Faber & Dumas, said: "There is an increased supply for a lot of forms of marine and property reinsurance over demand. That translates into pressure on prices."

Lloyd's has also been hit by price wars in the domestic motor and household insurance sectors where rates have fallen more than 10 per cent in some cases.

Motor policies, including commercial and fleet policies, account for about 10 per cent of Lloyd's business. The Lloyd's survey suggests the cost of many marine policies is also falling while aviation rates may have peaked.

In total, 36 per cent of Lloyd's underwriters surveyed expect falls in premium rates in the next three months compared with 11 per cent forecasting increases. Some 19 per cent reported falls in the last quarter of 1994 and 17 per cent noted rises.

● The Gooda Walker Action Group, representing Names on some of Lloyd's poorest-performing syndicates, welcomed a decision announced by the agency handling the syndicates' outstanding affairs to defer a planned £25m cash call.

However, the group expressed concern at a forecast deterioration of 15 per cent to 25 per cent in losses on one of the worst-hit syndicates.

Five jailed for £11.7m fraud

A Barclays Bank loans adviser and four others were jailed yesterday for their part in an £11.7m cheque conspiracy.

Snaresbrook Crown Court heard that Barclays employee Ms Elizabeth Lockwood passed confidential inside information about 41 company accounts to Mr Richard Thorpe, a former nightclub owner, enabling scores of cheques to be forged, money laundered and funds put through a Swiss bank account.

Ms Lockwood, of Bexley, Kent, was found guilty with Mr Thorpe of four counts of conspiracy to defraud. She was jailed for 15 months and ordered to pay £700 compensation. Mr Thorpe was jailed for 2¼ years and ordered to pay £95,000.

Mr Alexander Nicholls, a solicitor from Eastleigh, Hampshire, was found guilty of conspiracy to defraud and jailed for 18 months. Mr Leslie Burke, also a solicitor, of Denham, was convicted of attempting to obtain £235,000 by deception and jailed for a year.

Mr Andrew Boyd of Dagenham, Essex, convicted of conspiracy to defraud, was jailed for eight months and ordered to pay £5,000 compensation.

Brittan proposes industry placements for teachers

By John Authers

Sir Leon Brittan, European competition commissioner, yesterday said that teachers should not be promoted unless they had experience of placements in industry.

He also called for cost-benefit studies on the effects of larger class sizes, and suggested fiscal incentives for small companies to invest in continuing education and training.

His comments contributed to growing controversy over education funding and alleged preferential treatment for grant-maintained schools at the North of England Education Conference in York.

Sir Leon attacked the division of responsibility for training between the education and employment departments and said: "I wonder if secondments for teachers at all levels into industry should not become a requirement for promotion?"

On Sir Leon's call for an inquiry into class sizes, Mrs Gillian Shephard, the education secretary, said reports by the new inspectorate, Ofsted, would provide the necessary information, but there was as yet "no proven correlation between class size and educational performance".

Mrs Shephard also defended government funding for grant-maintained schools. She said: "Opted-out schools have no recourse to anything other than government allocations. Local authorities can use capital receipts, or they can take from other programmes and make education a priority."

She attacked Labour's policy on grant-maintained schools. She commented on claims by Labour councillors that the party would return schools to local education authorities. "We have one policy being made by Tony Blair, another by David Blunkett, and another by local government," she said.

New link for schools body

By Scheherazade Daneshkhu

The Independent Schools Information Service said yesterday it had formed an association with Bowring Financial Services, part of Marsh & McLennan, the world's largest insurance broker, to market a range of school fees plans.

The announcement came the day after Fimbra, the self-regulatory body for independent financial advisers, suspended Claremont Savile, the specialist school fees adviser, which had offered school fees loan plans for Isis for a decade.

Fimbra suspended the company for failing "to maintain at all times sufficient financial resources in respect of its business to ensure that it is able to meet its liabilities as they fall due". Fimbra said there was no risk to clients' money since the company was not authorised to handle this.

Isis ended its association with Claremont Savile on December 8 because it was concerned about "inadequate control over branches established by Claremont Savile in various parts of the country over the past two years, culminating in personnel difficulties in those offices in recent months".

Claremont Savile's stationery had carried the Isis logo. Isis said it needed to be careful about the level of customer satisfaction or dissatisfaction being achieved by a company with which it was openly associated.

The school fees loan plan devised by Claremont Savile enabled parents to release equity in their homes in order to pay school fees by taking a mortgage with a draw-down facility. Halifax building society was the main lender. The schemes attracted 7,000 inquiries a year from parents.

Halifax said yesterday that it had offered a draw-down facility long before its association with Claremont Savile. It said only a small proportion of the hundreds of customers granted this facility had been introduced to it by the company.

BMW car sales overtake Ford

By John Griffiths

BMW and its Rover subsidiary overtook Ford to become UK new car market leader in December.

But the overall market continued to weaken, leaving the industry well short of the 2m sales it had forecast for last year and undecided about whether the 2m threshold that it claims is needed for profitability will be passed this year.

Last year's 1,910,933 registrations of new cars were 7.45 per cent above 1993's figure and the highest for four years. But they had been achieved only "at enormous cost to all parties in the market place," Mr David Gent, director-general of the Retail Motor Industry Federation, said yesterday.

Mr Gent, whose organisation represents most franchised dealers and other retail motor trade outlets, said the increase on the 1.78m registrations achieved in 1993 was the result of cuts in prices and profit margins along with other incentive programmes.

He said: "The fact that such approaches are unsustainable in the longer term is confirmed by the aggressive fallback in performance across the year."

Registrations had risen strongly in the first half of last year to stand nearly 15 per cent above 1993 levels by the end of June. However, registrations fell in four of the subsequent six months and throughout the final quarter.

Both Mr Gent and Mr Ernie Thompson, chief executive of the Society of Motor Manufacturers and Traders, yesterday attributed part of the downturn to lack of confidence among private buyers anxious about employment and other economic prospects.

However, some other analysts have suggested that manufacturers' deep discounting to fleets and other fleet-oriented policies are upsetting increasing numbers of private buyers, who are deliberately opting to buy second-hand cars.

According to the society's statistics published yesterday, registrations of cars sold to private buyers fell 5.5 per cent on a year-on-year basis last month – continuing an almost unbroken trend in the second half of last year. In contrast, fleet registrations rose 5.5 per cent in December.

Statistics on commercial vehicle registrations, also published yesterday, reinforced analysts' views that overall economic recovery is continuing. They showed commercial vehicle registrations up 18 per cent in December and up 15.7 per cent for last year as a whole.

Total new car registrations in December were 0.6 per cent lower than the same month of 1993, at 73,237 compared with 73,370.

The BMW group, which includes Rover, took a 21.7 per cent market share compared with 21.6 per cent for Ford and its Jaguar subsidiary.

UK NEW CAR REGISTRATIONS – JANUARY-DECEMBER 1994

	Dec 1994			Dec '93	January-Dec 1994			Jan-Dec 93
	Volume	Change%	Share%	Share%	Volume	Change%	Share%	Share%
Total market	73,237	-0.7	100.00	100.00	1,910,933	+7.5	100.00	100.00
UK produced	35,326	+0.5	48.24	47.67	821,241	+3.6	42.98	44.59
Imports	37,911	-1.7	51.76	52.33	1,089,692	+10.6	57.02	55.41
Japanese makes	8,678	-17.1	11.86	14.11	230,458	+2.2	12.05	12.69
Ford group	15,805	+22.5	21.6	17.5	425,316	+9.6	22.3	21.9
– Ford	15,430	+21.9	21.1	17.2	418,657	+9.7	21.9	21.5
– Jaguar	375	+48.2	0.5	0.3	6,659	+7.0	0.4	0.4
General Motors	11,635	-12.5	15.9	18.1	319,958	+2.2	16.8	17.6
– Vauxhall	11,286	-12.4	15.4	17.5	310,619	+2.2	16.3	17.1
– Saab*	349	-17.3	0.5	0.6	9,339	+2.0	0.5	0.5
BMW group	15,942	+11.6	21.7	19.4	290,814	+4.3	15.2	15.7
– BMW	1,413	-5.9	1.9	2.0	45,574	+11.4	2.4	2.3
– Rover**	14,529	+13.6	19.8	17.4	245,240	+3.0	12.8	13.4
Peugeot group	6,097	-25.1	8.4	11.0	231,073	+3.4	12.0	12.5
– Peugeot	4,074	-28.3	5.6	7.7	146,551	+2.7	7.6	8.0
– Citroen	2,023	-17.5	2.8	3.3	84,522	+4.6	4.4	4.5
Volkswagen group	3,921	-1.6	5.4	5.4	122,460	+21.0	6.4	5.7
– Volkswagen	2,255	-9.8	3.1	3.4	74,548	+15.9	3.9	3.6
– Audi	694	+7.1	1.0	0.9	22,978	+16.5	1.2	1.1
– SEAT	372	+21.2	0.5	0.4	12,921	+49.2	0.7	0.5
– Skoda†	600	+13.2	0.8	0.7	12,013	+40.4	0.6	0.5
Renault	3,437	-7.8	4.7	5.1	112,663	+20.9	5.9	5.2
Nissan	3,872	-20.7	5.3	6.6	91,955	+3.1	4.8	5.0
Fiat group	2,892	+80.5	4.0	2.1	60,881	+33.1	3.2	2.5
– Fiat	2,743	+82.6	3.8	2.0	58,703	+37.0	3.1	2.4
– Alfa Romeo	147	+86.1	0.2	0.1	1,784	-18.3	0.1	0.1
– Lancia	2	-94.5	0.0	0.03	194	-66.6	0.01	0.03
Toyota	2,285	+69.6	3.1	1.8	51,939	-0.5	2.7	2.9
Volvo	1,654	-32.9	2.3	3.3	41,599	-4.9	2.2	2.5
Honda	828	-62.8	1.1	3.0	38,187	+23.6	2.0	1.7
Mercedes-Benz	712	-28.5	1.0	1.4	29,186	+37.8	1.5	1.2
Mazda	528	+11.6	0.6	0.9	16,741	-4.2	0.9	1.0

*GM holds 50% of Saab Automobile and has management control. **Includes Range Rover/Discovery.
†VW holds 31% of Skoda and has management control.

Source: Society of Motor Manufacturers and Traders

هكذا من الأصل

Employees disciplined over manipulating markets

Kleinwort Benson arm fined £50,000

By Norma Cohen, Investments Correspondent

A subsidiary of Kleinwort Benson has been fined £50,000 and ordered to pay £10,000 costs for failing to monitor the activities of two members of staff who on two occasions manipulated prices in the futures markets.

The manipulation was aimed at forcing up the exchange delivery settlement price of the September and December 1992 long gilts futures contracts, which in effect increased the value of the merchant bank's gilts holdings.

Kleinwort Benson estimates that it made £30,000 on the two transactions, much less than the penalties imposed.

The Securities and Futures Authority, the self-regulatory body for the securities industry, was notified of the manipulation by the London International Financial Futures Exchange (Liffe) which also disciplined the bank and its staff in connection with one of the trades in January last year.

When the matter was brought to Kleinwort Benson's attention by the futures exchange, an internal review turned up an earlier effort at market manipulation which the organisation brought to the attention of regulators.

Two employees of Kleinwort Benson Gilts, Mr Matthew Read and Mr Ian Round, were fined £10,000 and £7,500 respectively by the regulator and ordered to pay £2,500 each towards its costs.

Kleinwort Benson said: "The matters in question occurred over two years ago and prompted our own internal investigation in the early part of 1993." It added that neither man was sacked although both were disciplined internally.

The two, who held the positions of assistant director and assistant manager, held "short" positions in the long gilts futures contracts as the contracts neared their expiry dates in September and December 1992. That meant it had promised to deliver contracts that it did not own. In both instances, Liffe was notified that instead of fulfilling the obligation to deliver the contracts, it would deliver gilts instead and receive cash.

The cash received for those gilts would rise if the exchange delivery settlement price – the final value of the futures contract at the time it expired – rose. To drive the price up at the end of September 1992, Mr Read placed an order through the bank's futures division to buy the contract in the minute before the contract expired and then placed an order to sell at the same price. He closed out his position later in the day.

In December 1992, Mr Read, who was Mr Round's superior, was away on holiday and asked Mr Round to manage his position for him. Because the settlement price also rises when volumes are greater, Mr Round arranged a similar deal and arranged for a "wash trade" to be conducted by the bank's futures arm which passed the transaction around the company but had no real economic value.

Press Association

Derek Lewis, director-general of the Prison Service (left), at Parkhurst prison, Isle of Wight, last night with Richard Tilt, service security director, who leads the inquiry into the escape by three inmates on Tuesday. Mr Lewis said the Prison Officers Association had told Parkhurst officers not to co-operate fully with the inquiry – a claim the POA said was a "total distortion of the truth"

Protest as jurors hired at Jobcentre

By Krishna Guha

A Labour MP yesterday protested to the Lord Chancellor about the recruitment of jurors from a jobcentre in Newcastle upon Tyne, while the Department of Employment said they would not be eligible for unemployment benefit for the two weeks they were sitting as jurors.

Mr Stephen Byers, MP for nearby Wallsend and chairman of Labour's backbench home affairs committee, said he was concerned that the volunteers had not been properly vetted to check that none had criminal records. They were asked about prior convictions but, unlike ordinary jurors, did not have to make a written declaration and were not subject to police spot checks.

He said: "It is not appropriate for people to be recruited from the street. It might have been satisfactory in the 1960s, but there is now much greater concern about juries being nobbled. There is a real danger of a miscarriage of justice."

Judge Ronald Stroyan directed court officials to go to the jobcentre on Thursday after discovering Newcastle Crown Court was four jurors short for the day's trials. A senior clerk approached unemployed people in the jobcentre and asked them to volunteer for jury service.

Mr Chris Shaw, chief clerk, said: "Section six of the Juries Act 1974 permits additional jurors to be obtained from the precincts of the court and the surrounding streets. This had to be done." He added: "This is not an unusual occurence up and down the country. There has to be a procedure to be used as a last resort."

The Department of Employment said the four who volunteered for jury service would not be eligible for unemployment benefit as they were unavailable for work. They would be able to claim compensation from the court. Income support would not be affected.

Costs of life policies compared

By Alison Smith

Investors going to an independent financial adviser will typically pay less in terms of the commission that is disclosed than those buying policies from a sales agent more directly linked with the life company.

A study by consulting actuaries R Watson & Sons found that independent advisers and "bancassurers" – banks and building societies selling life and pensions policies through their branch networks – were typically cheaper than other forms of distribution, such direct sales forces.

From the start of this week, new regulations mean sales agents and advisers must tell potential investors the cash value of the commission on the sale of a policy.

To try to make the system fair across different selling arrangements, the cash sum revealed includes not just the commission but other elements, such as services or benefits provided by the life company.

The Watsons' report is based on a survey of 40 life companies late last year. It concludes that on average the higher disclosable commissions for policies sold through a direct sales force or a "tied agent" – a separate company which has an exclusive relationship to sell a life company's products – would equal an extra £200 for a 25-year personal pension plan where the premium was £1,000 a year.

For a 25-year endowment policy with an annual premium of £1,000, the added commission would be £265.

The relative cheapness of bancassurers in terms of the commission disclosed was widely forecast, but it is more surprising that independent advisers fare so well.

This may be because of factors such as the rising cost to life companies of ensuring that sales agents meet regulatory requirements.

The insurer will incur expenses for elements such as computer services or compliance procedures in selling through a direct sales force or tied agent, while the cash commission paid to independent advisers is the only amount paid by the life company, as the advisers are responsible for their own procedures.

Mr Mike Wadsworth, a partner at Watsons, said the commission disclosed is one way of viewing how efficient a sales operation is, since the amount will reflect the unit cost of selling a policy.

The regulatory regime means that investors will also be able to see the total expenses for which they will pay over the life of the policy.

The new requirements enabling investors to see the cash being deducted from their premiums and so not being invested on their behalf, is expected to put pressure on insurers to cut their margins. But how far this happens will depend on customers shopping around more.

Dillons reduces price of new book for first time

By Alice Rawsthorn

The Dillons bookshop chain will this weekend sell *Insomnia*, the new Stephen King novel, with a January sale price tag of £10.65 rather than the original price of £15.99.

Dillons always cuts the prices of some books in its January sale, but this is the first year that it has been able to cut the price of a new title: *Insomnia* came out in October.

Hodder Headline, which publishes Mr King, 10 days ago became the first main fiction publisher to opt out of the net book agreement, which allows publishers to set minimum prices for most titles for six months after publication.

Dillons, which has long been opposed to the agreement, is the only main seller to take full advantage of Hodder's withdrawal. It has included 100 of the group's 7,000 titles in its January sale.

Mr Tim Hely Hutchinson, chief executive of Hodder, said it was "still too early" to assess the impact of its pricing policy.

He said several small chains and independent bookshops had joined Dillons with reductions ranging from 25 per cent to 50 per cent. But he expected that the first real test of the policy would come in May with the publication of *Our Game*, the John Le Carré novel.

Dillons also said it was too early to gauge the effect of the discounts. However it said it was "very pleased" with the initial response as sales were "well ahead of the same time last year" and it had gained market share.

So far none of the other main publishers have followed Hodder. A number of small houses have done so and the Reed group, which concentrates on education and non-fiction, withdrew three years ago.

Mr Hely Hutchinson said: "We're taking this very slowly. Many retailers don't want to get involved with discounting and we're being careful not to offend them."

Portillo heads rightwing attack

By James Blitz and John Kampfner

Mr Michael Portillo and Mr John Redwood – two of the leading rightwingers in Mr John Major's cabinet – yesterday launched a new attack on levels of public spending.

Mr Portillo, the employment secretary, and one of the toughest stewards of public spending in recent years, attacked "the vanities" of government. He insisted that the state must restrict the scope of its action to a point well within the limits of what it can do.

"When we make great claims for government, we become a little less civilised," he said in a lecture at Liverpool Cathedral. "When we tell people that government can and will run their lives we detract from their dignity.

"When government spends money it can do so wisely. But there is no intrinsic reason why it should. Indeed those spending it lack most of the incentives to use money well that exist in the private sector."

Mr Redwood, the Welsh secretary, made an early call for a tough public spending round this year, claiming that state expenditure was increasing too quickly.

In a speech to Conservative party members in Winchester, Hampshire, he was critical of some aspects of the Budget, arguing that general government expenditure will rise next year by £13bn compared to 1994-95. "No one can reasonably suggest that represents a huge squeeze," he said. He hoped the government would spend below the "generous" control total limits set out in the Budget.

The government was at the limit of what the nation was prepared to pay, he added, and "more of the proceeds of future growth should be allowed to fructify in the pockets of the people".

Both speeches were seen at Westminster as an attempt to encourage Mr Kenneth Clarke, the chancellor, to work towards new cuts in public spending and a reduction in Whitehall programmes in his next Budget.

But they were also thought to herald a tough stand by the free-market and anti-European wing of the Tory party at the start of a year that will see new tensions between left and right.

Labour in fresh move on top pay

By James Blitz

Labour yesterday announced that it would put down amendments to three government bills as part of its campaign against excessive top executive pay.

Mr Gordon Brown, the shadow chancellor, yesterday announced an amendment to the gas bill, which would allow the introduction of competition into the domestic market. Ofgas, the industry regulator, would be given powers to cut fuel bills where there was evidence that boardroom salaries have been excessive.

Labour also plans new clauses for the finance bill – published earlier this week – to subject executive share options to income tax and changes to the pensions legislation which is about to start its passage through the House of Lords. The party wants to encourage managers of pension schemes to vote at company annual general meetings on payment packages to senior executives.

Mr Brown unveiled his party's latest onslaught on top executive pay with new figures showing that the chairmen of the 10 large privatised water and sewerage companies in England and Wales have received salary rises of up to 571 per cent in the four years since the companies left the public sector.

Labour said the average salary of the 10 chief executives has trebled and 25 senior executives are at least £500,000 a year better off as a result of privatisation.

Mr Brown said yesterday: "Anger is boiling over with water, gas and electricity companies at the extent to which they are exploiting monopoly positions. the salary rises that are being awarded, the perks that are added to them and the share options which are making people into millionaires."

In a further attack on the government's legislative plans, Mr Donald Dewar, shadow social security secretary, said he would fight the government's plans to reduce benefit claimants' entitlement to assistance with mortgage payments.

Mr Nicholas Winterton, the Tory MP for Macclesfield and one of the leading Tory rebels, has opposed the changes, claiming that they suggested the government had a "death-wish".

Consumers warm to use of credit

By Peter Norman and Alison Smith

Consumer confidence may be weak and retailers are rarely content these days. But yesterday's personal borrowing and consumer credit figures from the Bank of England showed that Britons are increasingly prepared to finance their purchases with credit.

The Bank figures, which have supplanted less detailed monthly data from the Central Statistical Office and put consumer credit and mortgage lending figures side by side for the first time, showed that net lending to consumers rose by a seasonally adjusted £677m in November compared with £541m in October.

November's 1.2 per cent increase in total net consumer credit brought the amount of such credit outstanding to £56.87bn.

The growth rate for total net consumer credit was 10.1 per cent in the 12 months to November, double the 12-month growth rate in November 1993.

December was one of the worst months for house sales since the recession started in 1989, according to the the National Association of Estate Agents.

The association said 83 per cent of 200 agents questioned reported a drop in inquiries compared with November. Some 84 per cent said there had been a fall in viewings and 74 per cent reported a drop in offers. But 72 per cent said they were increasingly confident that there would be an upturn this year.

By contrast, net mortgage lending by banks, building societies and specialist lenders increased just 0.4 per cent in November bringing the amount outstanding to £372.9bn. Net new lending secured against dwellings was a seasonally adjusted £1.66bn in November, in line with the average increase for the 10 months to October.

Personal borrowing, the sum of mortgage and consumer credit business, increased by a net seasonally adjusted £2.34bn in November or 0.5 per cent, bringing the amount of personal credit outstanding to £429.77bn. The Bank said the month-on-month growth rate was unchanged from the previous four months and the 12-month growth rate of 6.1 per cent had not accelerated since August. But annualised growth over the three and six months to November was slightly higher.

The Bank's consumer credit figures cover credit card, overdraft and other non-secured lending by banks and building societies, consumer lending by finance houses and estimates of such lending by retailers and insurance companies.

November's net consumer lending of £677m was the highest since the Bank started its series of data in April 1993. Its figures disclosed a sharp increase in net lending on credit cards of £156m in November compared with £91m the month before. Net consumer lending by banks increased £460m in November compared with £406m in October, while other specialist lenders such as finance houses increased their net lending by £200m against £138m in October.

For the fourth month running, mortgage lending figures showed a withdrawal from the market by centralised lenders, who sell mortgages through intermediaries rather than through branch networks. Loans redeemed from such lenders totalled over £200m more than the new lending they undertook during the month.

The statistics also suggested caution for the next couple of months. The total amount of loans approved but not undertaken in November – which should translate into new lending in the weeks ahead – was up less than 6 per cent to £5.14bn from £4.86bn the previous month.

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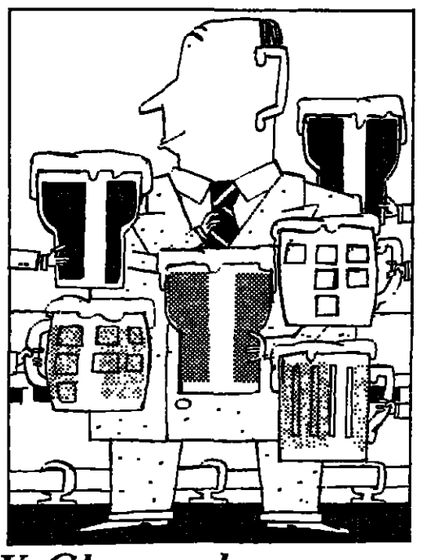

"OK Chaps...better make a move back to the office then, eh?"

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Capital calls the tune

When Japanese portfolio capital was flooding the world in the 1980s, the impact on the US and Europe was largely benign. Governments funded their debts more cheaply, while homeowners – no doubt unwittingly – enjoyed cheaper mortgages. At the same time as delivering this boon to foreigners, the Japanese suffered a stock market bubble. Its collapse later inflicted severe damage on their domestic economy.

In the 1990s it has been the turn of American portfolio capital to swill around the world. Here, in contrast, the bubbles were created abroad, chiefly in emerging markets. And as the Mexicans know to their cost, the consequences of importing capital can be far from benign if US investors lose confidence in a country's economic policies. Nor will the consequences necessarily be benign for Europeans this year. Living with US portfolio investors in a single, global pool of capital can be a disconcerting experience. It also means that market judgements need to be coloured by an awareness of what drives US capital.

Between 1992 and 1993 net portfolio investment in the US moved from an inflow of $19bn to an outflow of more than $21bn. The conventional explanation offered for that $40bn swing is that US investors had discovered the theory of portfolio diversification, which says that overseas investment reduces risk for a given reward. Against the background of a current account deficit of $104bn in 1993, which is projected by the OECD to have risen to $154bn in 1994, the portfolio outflow would appear to have contributed significantly to the unexpected weakness of the dollar at a time of rising US interest rates.

Given that US funds have recently held little more than 2 to 3 per cent of their assets overseas, compared with a norm of more than 10 per cent in Japan or Germany, or 23 per cent in the UK, the scope for continuing dollar weakness might seem overwhelmingly large. Yet the volatile nature of recent cross-border flows points in another direction.

Currency risk

The people who poured nearly $60bn of portfolio capital into Latin America last year are now pulling out of the region regardless of the soundness or otherwise of individual countries. The Mexican devaluation has taught unsophisticated American bond investors about currency risk. They have found that a near-40 per cent fall in the value of the peso makes the loss of almost a quarter of the value of a US long-dated Treasury stock since October 1993 look almost palatable. There is evidence, too, that the foreign investors who pumped $47.5bn into Japanese equities in the first half of 1994 have substantially retreated from a stock market that has failed to soar.

Moreover, figures for the first half of 1994 show that the net portfolio outflow from the US has collapsed. A $37.9bn exodus into foreign equities and bonds was matched by a $36.3bn inflow. That suggests, for a start, that the weakness of the dollar last year had more to do with the rise in the current account deficit than the net movement of portfolio funds. It also strengthens the suspicion that capital outflows have been propelled less by theoretical diversification considerations than a hunger for short-term performance.

Robust dollar

That is not to say that US pension funds will stop raising their foreign portfolio percentages. But the process may have been much slower than some analysts have assumed. And given the dwindling importance of portfolio outflows and the widening differential between short-term US interest rates against Europe and Japan, cyclical factors may prove more important than structural ones in dictating the path of the US currency in 1995. That points to a more robust dollar. The resulting currency losses for US investors on unhedged foreign holdings could then turn repatriation into a self-feeding process.

No forecast is less certain than a currency forecast. But should this happen, Japan will rejoice as a weaker yen takes pressure off its exporters, while Europe will feel an unwelcome draught. Having experienced a very shallow recession after the unification boom, Europe's largest economy, Germany, has recovered more strongly than expected. The gap between actual and potential output has probably disappeared, thereby increasing the threat of bottlenecks and higher inflation.

A strong dollar may thus force the Bundesbank to raise rates earlier or higher than otherwise to pre-empt that threat. Yet France, which has chosen to adhere to German monetary policy, still has a negative output gap and a much higher rate of unemployment. Raising interest rates with the Bundesbank could thus lead to a disaster not unlike the one that wrecked the European exchange rate mechanism, with unhappy results for the French economic recovery. In contrast, the UK will be tempted to let sterling take the strain. And with the current account back in surplus, that would be less risky than it might once have been.

France's presidential campaign could lead to the emergence of a new conservative party, writes **David Buchan**

Two horse race for the Elysée

This is France's presidential year. On April 23, the French go to the polls to elect a new president, with a run-off between the two leading contenders on May 7 if no candidate wins more than half the votes in the first round.

But this year's election could bring much more than a new face in the Elysée palace. It threatens a split in the Gaullist RPR party that has dominated the fifth republic – and perhaps even a realignment of the right to create a party like the US republicans or the UK Conservatives.

The painful physical decline of President François Mitterrand and the consequent temporary rise in importance of the premiership of Mr Edouard Balladur over the past 20 months have obscured the power of the French presidency.

A French president serves for a seven-year term, nearly twice as long as that of a US president. He has a constitutional prerogative in foreign and defence policy to a degree that his US counterpart would envy. And he has the power to dissolve a hostile parliament whose term is not fixed like that of Congress.

The parliament currently has a centre-right majority, and a fresh election might not change its complexion. That fact has blighted Socialist hopes of success in the election, since it was the clinching reason given by Mr Jacques Delors for his refusal to run as their candidate. Opinion polls showed that he held a commanding lead over other contenders, and that other possible candidates of the left had much less chance of victory.

To the chagrin of his fellow Socialists, the outgoing European Commission president told TV viewers last month that no socialist president could hope to win a sympathetic parliamentary majority in a country that had lurched so far to the right as to give conservatives 80 per cent of the national assembly seats in the 1993 election.

Later this month, the Socialists will have to select an alternative candidate. Mr Lionel Jospin, former education minister, is putting himself forward, while the polls appear to favour Mr Jack Lang, another former education minister and ex-culture minister. But, for the first time since 1969, there is a possibility that no left-wing candidate may make it into the final run-off vote for the presidency on May 7.

So the big battle is likely to be on the right, where the two main contenders are both in the Gaullist RPR party. Its long-time leader, Mr Jacques Chirac, has already formally launched his campaign, while its prime minister, Mr Balladur, who remains the frontrunner in the polls – is expected to do so some time this month.

The election will be fought around two main issues: the economy and Europe. More precisely, the struggle will be over how to bring the country's record unemployment rate down, while closing the yawning gap in public finances in time to meet the economic targets set in the Maastricht treaty for European economic and monetary union in 1997.

France appears to run a highly successful economy. Its inflation rate remains one of the lowest in the European Union, and its trade surplus one of the highest – despite the strong recovery of growth which is predicted to exceed 3 per cent this year.

Yet its ability to create jobs continues to lag behind the rate of new arrivals on the labour market. The unemployment rate has risen over the past 20 years from 2.6 per cent to 12.6 per cent. There are now 3.3m people without jobs.

Ahead: prime minister Edouard Balladur (right) leads his main rival, Jacques Chirac of the Gaullist RPR party

To this record number of unemployed can be added another 2m people who have given up looking for a job or who are homeless. A total of more than 5m people count themselves as "have-nots", excluded from French society. They are almost as numerous as the country's 5.7m shareowners (a measure of the number with a stake in the economy after the Balladur privatisations).

The big battle is likely to be on the right, where the two main contenders are both in the Gaullist RPR party

The growing tension between "haves" and "have-nots" in French society is reflected in opinion polls and election results, which reveal a growing divorce between rulers and ruled.

An increasing number of mainly working-class voters reject the consensus among the mainstream parties that France's tradition of a generous welfare state and closed economy must change with the times, with liberalisation of trade, with membership of the EU.

Their protest votes explain the appearance on the political scene of Mr Jean-Marie Le Pen's National Front in 1979, the Greens in 1984, and of Mr Bernard Tapie, the maverick businessman turned populist politician, in 1989. Voter support for the mainstream parties fragments when, as in last summer's European Parliament elections, a system of pure proportional representation is used.

The divide in French society was also reflected in the 1992 referendum on the Maastricht treaty, when two-thirds of the professional middle class voted in favour of the treaty and two-thirds of the working class against it.

These tensions are reflected in the divisions of the Gaullist party and threaten to tear it apart in the presidential election year. Some in the RPR lean to the right in economic policy, others lean to the left on social policy.

The common glue that holds them together – a belief in a strong state and in certain kind of French nationalism – is dissolving under the impact of European integration and the worldwide move towards freer trade.

The RPR can include Mr Balladur, with his pursuit of privatisation at home and a "non-federal" form of European integration abroad. But it also encompasses men like Mr Philippe Séguin, the anti-Maastricht president of the National Assembly, who accuses the Balladur government of "a social Munich" in surrendering to the fatality of high unemployment and calls for the partial *nationalisation* of France's water companies to end alleged fiddling of water contracts.

It is, of course Mr Chirac, the glad-handing mayor of Paris, that Mr Séguin backs for the presidency. Mr Chirac has cast himself in a populist mould to beat Mr Balladur.

Now that Mr Delors has bowed out and that personal bankruptcy looks likely to bar Mr Tapie from running on his Radical party's ticket, Mr Chirac has redoubled his attacks on politicians such as Mr Balladur who know only France's "national palaces and posh districts" and the "elite" of "technocrats" who advise him. As mayor of Paris, he has proposed requisitioning vacant properties owned by banks and big companies to house the capital's homeless. He hoped for a quick lift in the polls to deter Mr Balladur from running against him.

There is a possibility that no left-wing candidate may make it into the final run-off vote for the presidency in May

But Mr Chirac will probably not continue his populist leftward lurch much further. To do so would strain the credulity of French voters who remember the 1986-88 government when Mr Chirac as prime minister and Mr Balladur as finance minister vigorously set about deregulating and privatising the French economy.

The problem for both Mr Chirac and Mr Balladur is that the context has changed. In 1986, the right came to power to reverse the full-blooded socialism and nationalisations of the early Mitterrand years. But in 1993, the right inherited the strong money policy that had become the orthodoxy of the chastened Socialists in 1988-92.

The only Socialist legacy for the conservatives to reverse is the spiralling public deficit, and tackling that is a dreary and unpopular task. No wonder Mr Balladur is accused, chiefly by Mr Chirac, of "immobilism" in his policies.

The prime minister naturally refutes the charge. In his defence, he cites his success in bringing down interest rates before the start of this year, when he passed control of monetary policy to the newly-independent Bank of France.

Mr Balladur has introduced a five-year plan to reduce the budget deficit to 2 per cent of gross domestic product by 1998, while at the same time shifting some social welfare charges from employers to the state so as to encourage employment. He has promoted incentive schemes to encourage house and car buying. And he has redesigned the tax system to encourage longer-term saving.

Yet Mr Balladur will need to campaign on something more than these "managerial" measures if he is to be sure of winning the hearts and votes of the electorate. His lead in the polls – one poll this week put Mr Balladur at 25 per cent, 3 percentage points ahead of any Socialist candidate who might join the race, and 11 points ahead of Mr Chirac for the first round – is remarkable for someone actually in power. He has also been bolstered by his successful handling of the hijacking of an Air France airliner by Algerian extremists over Christmas.

But it is far from unassailable, especially if other candidates enter the race from the UDF centre-right federation, the RPR's coalition partner. One or two rival candidates – such as Mr Raymond Barre, the former prime minister, or even ex-President Valéry Giscard d'Estaing – look likely to emerge from the UDF.

Many younger UDF politicians seem ready to ignore their own leaders and to stick to Mr Balladur. They are particularly strong in the Republican party, the largest and most right-wing component of the UDF federation, and a natural ally for pro-European Gaullists. If Mr Balladur wins the presidency, and splits the RPR in the process, there is a real prospect of him realising his long-cherished plan of merging pro-European Gaullists with a large part of the UDF to create one big conservative party. That would leave an anti-European rump of the RPR, perhaps led by Mr Séguin.

Mr Francois Léotard, the Republicans' honorary president and Mr Balladur's defence minister, shares this hope. Just before Christmas, Mr Léotard said the aim would be to create something like "the American Republican party or the British Conservative party".

Unlike other western countries, France has long had a divided right, something that Mr Mitterrand exploited skilfully for the Socialists throughout the 1980s. For the first time in recent history, there is now the possibility of a conservative party emerging in 1995 that might make it possible for the mainstream French right to speak with a single voice.

MAN IN THE NEWS: Newt Gingrich

Word-games of a techno-freak

A common criticism of Bill Clinton is that he talks too much. The first thing that America and the world learnt this week about Newt Gingrich is that, compared with the first Republican speaker of the House of Representatives in 40 years, the US president is as a sphinx.

The man is a volcano of words and ideas. They poured like endless streams of lava out of his head throughout what he reasonably kept calling the most amazing week of his life. Suddenly addressing not a handful of bored history students or a gathering of the conservative faithful but a whole nation, he used every forum known to modern man – as new as cyberspace and as old as the House ways and means committee – to portray his vision of America and how the Republicans and a co-operative White House could turn it into reality.

From all these words, it is possible to add to the sum of human knowledge about Gingrich. Some of the lessons, like his thoughts, seem contradictory, some reflect well on him, others portend trouble ahead.

First, he can be extremely gracious, well beyond protestations of non-partisanship. His maiden address as speaker could not have been more generous in its praise of Democrats past and present. An exchange in committee with Charlie Rangel, the black Democrat from Harlem, showed real concern for the less fortunate. He even warned his more libertarian Republican colleagues ("those who believe in total privatisation") not to "walk by a fellow American who's hurt and not do something".

Sentiments like these temporarily assuaged even the most doubting Thomases. Charles Schumer, the liberal Democrat from New York, commented: "If you didn't know who was giving that speech, you'd think it was a liberal-to-moderate Democrat whose main goal is to bridge the racial divide." Even a New York Times editorial, calling Gingrich "for the moment America's pivotal figure, Bill Clinton and [Senate majority leader] Bob Dole included", found his speech "surprising and startlingly effective – animated, humane, anecdotal". Barney Frank, the tart Democrat from Massachusetts, was among the unpersuaded: "I have not found what he says to be a reliable guide to what he does."

Second, and countering the first, there is no generosity in his heart towards the establishment media. He might have had cause for anger this week over a TV interview with his mother that prised from her what purported to be his low opinion of Mrs Hillary Clinton, but his distaste runs deeper than that. Asked how long co-operation with the administration might last, he typically snapped back: "Longer than your deadlines and longer than the culture of the news media in this city will like." Just in case the point was missed, he opened the capitol to talk show hosts, mostly on the right, and promised what his supporters call "plebiscitary democracy" with a vengeance.

Most powerful Washington politicians at least try to get along with the influential gatekeepers of the news, the proliferation of alternative media notwithstanding. Ronald Reagan used charm without telling them much, and Bill Clinton thought, wrongly as it turned out, that they were so like him in age and attitude that he could easily empathise. Exactly how the relationship with the Fourth Estate plays out in the months ahead could shape the Gingrich speakership as much as it has, for ill, the Clinton presidency.

Third, he is prone to hubris, knows it, but cannot stop it. It is not so much that the college professor in him feels there is no question that cannot be debated (Clinton, for one, shares the same trait). Rather he cannot resist exulting in what he calls "the new era with different ground rules" that he has brought about. The House's first day of business – with 52 victorious votes on rule changes – may have been conducted with a smile, but righteousness, in the shape of his Contract with America, did not merely lurk beneath the surface; the speaker read from it and it will be the quoted mantra for each of the first 100 days of the 104th Congress. Those who have listened to him a lot this week also claim to note a Thatcherite tendency to use the royal "we".

This worries even conservative bedfellows. The concluding paragraph of advice in William Safire's New York Times column on Thursday read: "To right-wingers all: Resist the cult of personality. Turn the great ship slowly. Eschew pride." The Wall Street Journal devoted its main editorial page on Wednesday to what it called "a sobering thought for Republicans in their moment of triumph" by reprinting articles from 1946-48, which traced the vaulted ambitions and sad end of the last time the Republicans halted a long period of Democratic control of Congress.

Fourth, Newt Gingrich is quite simply a techno-freak futurist. His fondness for author Alvin Toffler (*The Third Wave*) had been previously noted and a science fiction novel was once on his word processor. But he went a lot further by informing Congress that, like it or not, it was going online – "every bill, every amendment, every conference report" will be available to subscribers on the Internet. The computer system has been developed by the Library of Congress and is called Thomas, after Jefferson.

But this, too, is of a piece with the Gingrich of whom so much stood revealed this week. He described Thomas as "this participatory dialogue on self-government" that should serve to shift the balance of power away from "the pervasive cynicism of the culture of Washington which, fortunately, does not exist in the rest of the country". Hardly able to contain his enthusiasm, he even announced an exception to his universal rule of cutting federal spending. The Library of Congress, he declared, needed more money (welfare mothers should be as lucky as scholars).

Truer to his tax-cutting creed, he went so far as to suggest that perhaps "we need a tax credit for the poorest Americans to buy a laptop". This, he did concede, was "a nutty idea" – but words and ideas are Newt Gingrich's game. Of course, that is what Bill Clinton also promised in his first taste of power.

Jurek Martin

FINANCIAL TIMES

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هكذا من الأصل

Wide cracks in road to easy riches

Foreign investors' experience in Mexico has made them more wary of emerging stock markets, says **Philip Coggan**

Tourists visiting Mexico sometimes return home with slimmer waistlines following an encounter with "Montezuma's revenge", the local stomach bug.

Slimmer wallets have been the problem for investors in the Mexican bond and stock markets over the past month, as devaluation of the peso has slashed the value of their holdings. Foreign investors in Mexican equities have suffered a 48 per cent decline in dollar terms since September 26.

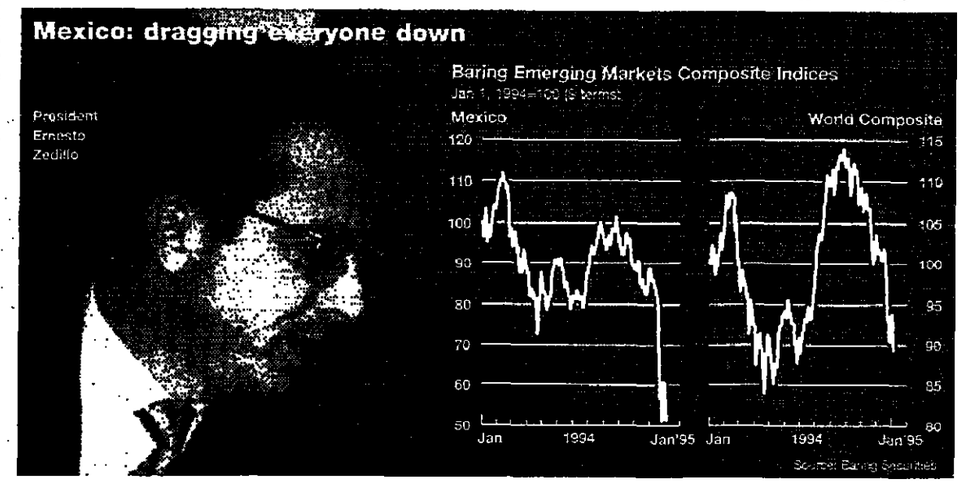
But the Mexican crisis may also cause indigestion among those investors who have spent the past few years piling into the so-called emerging markets, in the hope of handsome returns.

The argument for investing in emerging markets, which the International Finance Corporation, an arm of the World Bank, defines as a country with gross national product per head of less than $8,355, is both simple and plausible. Such markets, mostly in Asia and Latin America, are linked to economies that are growing much faster than those in the developed world. Low labour costs, allied to young and increasingly educated populations, mean that such countries offer a competitive threat to the existing industrialised world.

Furthermore, the collapse of communism has resulted in the liberalisation of many emerging markets. Restrictions on foreign investment are being lifted, and state-owned industries are being privatised. Foreign investors have bought shares with increasing confidence that they will be able to repatriate dividend income and their original capital.

However, institutional investors are more likely to be convinced by actual profits than theoretical arguments. Since the start of 1989, the IFC composite emerging market index has risen more than 93 per cent in dollar terms, compared with a rise of just less than 24 per cent in the FT-A World Index.

High rewards inevitably mean higher risks. But enthusiasts point out that emerging markets have shown little tendency to synchronise their movements, either with each other or with developed markets. There was no reason why China's market should fall just because of a decline in Argentina or the UK.



Emerging market investment thus represented a sensible act of diversification.

Their case has proved convincing: the past decade has seen an explosion in emerging market investment. According to Baring Securities, the broker, some $200bn of emerging market equities were held by foreign investors at the end of 1993, compared with just $2.1bn in 1986.

More and more countries have gradually been swept up in emerging markets enthusiasm, with eastern Europe, the Middle East and sub-Saharan Africa all attracting investors.

But all along, some observers have doubted the staying power of the emerging markets phenomenon. Such enthusiasms have occurred before: banks believed that lending to third-world governments was the route to easy profits in the 1970s. Mexico burst that bubble in 1982 when it suspended debt repayments.

Others have worried about the role of US mutual funds (similar to UK unit trusts). In the early 1990s, low US interest rates forced private investors out of deposits and into mutual funds. Initially, bond funds received much of the outflow, but gradually investors became more adventurous in search of higher returns. Overseas investment by US equity investors doubled from $42.3bn in 1992 to $84.8bn in 1993, according to Baring Securities.

However, US interest rates started to rise in early 1994, making deposits more attractive again. The fear is that any shock to confidence, such as delivered by Mexico, could cause nervous private investors to head for the exit.

But those who want to sell holdings might encounter problems; emerging markets remain fairly illiquid. In a bull market, sellers find no difficulty in encountering buyers. When sentiment changes, sellers may only find buyers at very low prices.

It may well be that the scale of inflows of foreign capital has changed the nature of emerging markets: they are more likely to move up or down together, now that they have become a defined asset category, at the whim of investment fashion.

Like many such fashions, the trend may have gone too far. "Last year, some houses were recommending putting 25-40 per cent of investors' assets in emerging markets, but such markets are only 5-10 per cent of world stock market capitalisation," says Mr Mark Castelin, senior investment strategist at US pensions consultants Frank Russell.

"There is a higher risk-return trade-off with emerging markets," says Mr Michael Hughes, global strategist at BZW, the securities house, "and the risk side of the equation is coming to the fore. My suspicion is that some investors had a greater exposure to emerging markets than was optimal, thus there will be paring of positions."

Problems had already begun to emerge before the Mexican devaluation. Some Asian markets were particularly weak in the first and fourth quarters of 1994. There have also been stock market declines, in the wake of the Mexican crisis, in Brazil, which had performed strongly in 1994, and Argentina. "Mexico has changed investors' perceptions of Latin America for the negative," says Mr Arnab Banerji, chief investment officer of Foreign & Colonial Emerging Markets. "Like a glass bowl it takes seconds to smash and a long time to make." In particular, some investors, convinced by the previous Mexican commitment to a strong exchange rate, may have forgotten about currency risk.

Widespread emerging market weakness means that the IFC composite index has fallen about 12.5 per cent in dollar terms since September. Foreign capital inflows are also slowing. Baring estimates that foreign equity investment in emerging markets was about $40bn in 1994, down from 1993's $62.4bn, and is set to decline further to $25bn-$30bn this year.

But many investors see the Mexican crisis as only a temporary setback. "For UK pension funds, it is the kind of thing they expected," says Mr Colin Lever, a partner at actuaries Bacon & Woodrow. "Most investment managers regard emerging markets like venture capital holdings. You have to spread your money around because you can't be sure which ones will do well and which will collapse."

Mr Tim Gardener, head of asset planning services at actuaries Mercer Fraser, says: "My immediate reaction is that those who went into emerging markets for the wrong reasons will probably change their tack, but those who went in for the right reasons will recognise that the long-term story remains unchanged."

Indeed, Mr Banerji thinks the crisis represents a buying opportunity for funds trying to build up a long-term exposure to emerging markets. He also thinks there is an important distinction between emerging markets such as Mexico, where foreigners are important investors, and others, such as Chile, where domestic investors dominate. The latter should find it easier to ride out a bear market triggered by US withdrawals.

The long-term picture for emerging markets remains bright, therefore, provided that the high economic growth and market reforms which initially attracted investors remain in place. In the short term, however, it seems inevitable that more of the hot money that went into emerging markets in 1993 will be withdrawn, with possibly devastating effects on individual markets. In 1995, emerging markets will not be an investment for those with queasy stomachs.

John Authers on Labour's confusion over independent and grant-maintained schools

Subject for further study

Britain's Labour party has found itself in difficulties this week over an issue on which it has long commanded a lead over the Conservatives in voters' eyes – education.

An argument over the party's policies towards the independent schools sector and the grant-maintained schools that have opted out of local authority control revealed confusion and deep disagreement.

Yet the issue might be seen as relatively unimportant, since fewer than one in four children attend such schools. Only 7 per cent of children in schools are in private education. And while just over 1,000 schools have become grant-maintained, the government's drive to persuade more to follow suit has trickled almost to a halt, with only four secondary schools doing so last term.

However, the issue of what to do about these two sectors raises questions about Labour's approach to Tory reforms aimed at improving parental choice. Reversing the reforms could damage Labour's attempts to gain respectability with middle-class voters, especially in the south where a higher proportion uses such schools.

Blunkett: broad shoulders

If the party abandons long-standing policies that would have that effect, it will incur the wrath of its left wing, strongly represented in the educational establishment.

Mr David Blunkett, the party's education spokesman who was appointed to give the issue a higher profile, says he will not change Labour's policies. But his attempts to clarify them have taken the party into awkward territory.

Last October, it undertook to bring the opted-out schools back into a "local democratic framework". Mr Blunkett is now trying to make this policy "workable" and is discussing it with heads of opted-out schools.

But that task has been made harder by last month's revelation that Mr Tony Blair, the Labour leader, hopes to send his son to the London Oratory School, one of the first to opt out. It left Mr Blair exposed to the charge that he was seeking an advantage for his own child that he would deny others in the future. Mr Blair defended his decision, saying the choice should be open to all parents.

Mr Blunkett must now reconcile these comments with the party's commitment to local democracy. He appears to be pinning his faith on another Conservative reform, the Local Management of Schools (LMS) initiative. This requires local authorities to devolve virtually all spending decisions to schools.

The initiative has been eclipsed by opting out, which was launched at the same time. But LMS has been a great success, says Mr John Sutton, general secretary of the Secondary Heads Association, by giving schools much more control over their resources.

In a speech this week at the North of England Education Conference in York, Mr Blunkett seemed to hint that, rather than abolishing grant-maintained schools, he would extend LMS so that all schools could enjoy the financial freedom currently offered to the minority. He would also reduce the financial benefits for schools that opt out.

However, he added a further element to his clarification: that grant-maintained schools would also need a "comprehensive admissions policy", presumably returning to local education authorities some influence over the allocation of pupils to schools.

This could be the sticking point. Once funding is equitable, the ability to determine admissions is the only significant advantage of grant-maintained status. Several grant-maintained schools have become much more selective in their intake.

Mr Graham Lane, education chairman of the Labour-controlled Association of Metropolitan Authorities, believes that the issue is fundamental: "The Oratory has 500 applicants for 180 places. Who decides which get in? The school does, and that is wrong."

Parents with children in such schools – or hoping to enter them later – may not agree. A significant minority of grant-maintained schools would also refuse to accept the return of admissions policy to a local authority, possibly subjecting the party to damaging attacks in the next election.

Labour policy towards independent schools has been causing the party even more problems. Mr Blunkett mused aloud last week about the option of putting value added tax on private school fees. To his embarrassment, the suggestion was ruled out by the party leadership, concerned that it would reawaken fears over Labour's tax plans.

However, Mr Blunkett remains committed to removing independent schools' charitable status, which is estimated would add about 2.5 per cent to a typical school's annual costs; and to abolishing the assisted places scheme that helps low-income families with school fees.

Neither idea is new. The last Labour government examined removing charitable status, and concluded that it was too complex, given that education is at the heart of the definition of a charity.

But removing assisted places, a subsidy worth £92.3m last year, would bit some independent schools hard. For example, about a quarter of pupils at King Edward's School in Birmingham – the school at the top of the government's A-level league tables – have their fees paid at least in part through the scheme.

Whether penalising such schools would be a vote-winner is unclear. The independent schools have produced polls that appear to show a majority of Labour voters oppose measures against the independent sector.

"If I get a bit of flak from time to time, I will bear it," says Mr Blunkett. "My shoulders are broad enough."

With the divisions exposed by this week's difficulties, they may have to be.

Antony Thorncroft explains who is likely to win a share of the UK lottery's funds for good causes

It could be you – or your drama club

In the hullabaloo about the jackpot winners from the UK's National Lottery, and their right to anonymity, another group of lottery beneficiaries has been almost totally ignored – the good causes among which the proceeds are to be distributed.

In theory, the National Lottery was not designed to bring extra revenue to the Treasury (although it does – 12 per cent of the takings); nor to give the nation a shiver of excitement on Saturday nights when the draw is made; nor even to produce substantial profits for organiser Camelot and its backers. Its aim was to tap a new source of funding for good causes: the arts, sport, the heritage, charities and a Millennium Fund to celebrate the arrival of the 21st century.

So far the money has been pouring into the lottery, £370m since it started in mid-November. But none has yet been paid out to improve the cultural and sporting life of the nation.

This is about to change. Last Wednesday the organisations distributing funds to four of the good causes, the Arts Council, the Sports Council, the National Heritage Fund and the Millennium Fund, opened their doors to applicants (the National Lotteries Charities Board is not yet ready for business). The response was underwhelming.

The Arts Council received just 12 applications on the day; the National Heritage Fund eight; the Millennium Commission 24. The mailbag at the Sports Council was mislaid – or else there were no requests for funding on the day.

The distributors claim to be relaxed, even happy, with the minimal early response. The Arts Council has sent out 10,000 application packs to arts groups seeking money for capital projects, and told potential applicants that there was no need to rush through their completed proposals.

The Heritage Fund has received 1,000 inquiries for application forms, and expects most of these to lead eventually to bids for cash. The Sports Council has handled 10,500 inquiries since November and 216 bids were formally lodged before Wednesday.

The Millennium Fund is operating a two-tier system, sifting its applications to detect those that fail to meet its particular, rather obscure criteria and directing them to alternative funding bodies.

In theory the money will be flowing to the good causes for ever (apart from the Millennium Fund, which closes its doors at the end of 2000). There is no need for panic bids.

But every week, the funds available for distribution grow. Before today's jackpot the five distributors were sitting on £96.5m, comfortably above forecast. Each Tuesday morning, Camelot pays to each a cheque for another £2m or more.

For the arts, heritage and sport, the first cheques should be sent out by early April. The Millennium Fund is expected to announce a group of eight successful bids in the summer.

And that is when the controversies will start. Already managers of small arts groups are airing worries about the substantial sums that might be siphoned off by the big London-based national companies, especially the Royal Opera House, Covent Garden.

Covent Garden has certainly not held back. Mr Jeremy Isaacs, its director, delivered his request for £50m to the Arts Council in person early on Wednesday.

The Opera House desperately needs modernising. It believes it can raise almost £100m towards its redevelopment through its own efforts. However, while it would be surprising if any government allowed the nation's leading opera and dance house to fall apart, Mr Isaacs may be overoptimistic in expecting such a large amount in one go.

But Mr Peter Gummer, chairman of the Arts Council Lottery Board, and his colleagues at sport, the heritage and the Millennium, are adamant that the benefits of the lottery will be spread around the nation and go back to the punters.

With each of the five good causes likely to receive £150m a year to begin with – rising to £250m by the end of the decade – every worthwhile applicant should, in time, be satisfied.

This should give hope to groups such as the Teddington Theatre Club, from west London, which is hoping to build a 120-seat theatre. It has raised £600,000 of the £850,000 cost and wants £200,000 from the lottery. Many of the early applications to the Arts Council are similarly small-scale and local: the Morecambe Youth Band from Lancashire; the Plowright Theatre, Scunthorpe, on Humberside; Rye Art Gallery in East Sussex.

It is the same with sport – dozens of local soccer and cricket clubs are seeking small sums to improve facilities. There is also a joint bid from Eton College, Windsor and Maidenhead Council, and Windsor, Slough and Eton Athletics Club seeking £3.1m for an athletics centre on college land but open to the public.

The government knows it will be criticised if too much lottery money goes to improve the cultural life of the middle classes, although given the appeal of the arts and heritage it is inevitable that they will do well. It hopes to redress the balance by encouraging grassroots sports ventures and through the Millennium Fund, where the nine commissioners include two cabinet ministers: Mr Michael Heseltine, trade and industry secretary, and Mr Stephen Dorrell, national heritage secretary.

There will be a few landmark building projects to mark the millennium. Front-runners look to be the new Tate Gallery of Modern Art planned for the Bankside Power Station on the south bank of the Thames, and the Cardiff Bay Opera House in Wales.

But the Millennium Commission is looking at ideas which will reach down to every community, especially in environment and technology. Some ambitious building projects in the arts hoping for millennium money seem doomed for disappointment.

As the lottery money begins to flow, there could be scope for horse-trading between the major applicants, and between the distributors, to spread the larger bids across the five good causes.

Most of the small applicants in the arts, sport and heritage may, in time, be satisfied. But for those seeking £10m and over the outcome could be as much a gamble as the National Lottery itself.

LETTERS TO THE EDITOR

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Deming philosophy based on knowledge and learning, not magic

From Mr Mark Jowitt.

Sir, Tim Dickson's piece on W. Edwards Deming ("Pioneers and Prophets", January 2) gave a sensitive and accurate thumbnail sketch of a man whose ideas and achievements are often misunderstood and hence often misrepresented.

Deming was an indefatigable worker and learner, and with his Socratic manner did not suffer fools gladly. Why should he have done? His achievements with the Japanese were not magic; they were based on the behaviour of those companies putting his management theory and practical systems to work. His great frustration was that those whom he talked to in the west have to undergo "a transformation" of management, which challenges so much empirical thinking in an established economy perceived to be successful.

"Just because you got up this morning and had breakfast you think everything's all right," he would say. The view out of the window in Japan in 1945 left minds more open to different thinking.

As Dickson points out, many of the ideas which form the cornerstones of Deming's thinking are currently fashionable. However, as any of the managers embracing those ideas in depth will testify, the changes necessary in culture and in thinking – not to mention the ability to communicate – call for very specific and highly challenging qualities of leadership.

Could I suggest a few enlightening contributions from some working practitioners of the Deming philosophy? There are some interesting stories to be told – and, after all, Deming is the only person I know of who has a comprehensive philosophy for human management based on knowledge and learning, and who devoted his life to it.

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Mortgage interest move hits homeowners

From Mr John Denham MP.

Sir, Alison Smith points out that the exclusion from the Finance Bill of the proposed cut in mortgage interest payments for claimants will limit parliamentary debate on the subject ("The Finance Bill: Benefit mortgage change left out", December 5).

Many people will simply not be able to obtain insurance cover to compensate for this cut. Twenty per cent of all homeowners are self-employed, on short-term contracts or in part-time work. These are groups which have found it very difficult to get insurance. Single parents and the recently unemployed have also been regarded as a poor risk.

These groups may be excluded from the housing market altogether, and those already with mortgages will have no buffer against repossession if they lose their jobs.

Insurance generally does not provide cover for the first three months, which will leave people having to meet the costs out of their own pocket.

Costs are high: £7 for every £100 of mortgage, and there is little protection for the consumer – the last recession saw insurance companies raising premiums, and in some cases withdrawing cover completely.

It is also a chronically inefficient way of providing cover against unemployment, since 30 per cent of the price goes to the insurance companies in costs and profits.

This government's record is littered with legislation that has been poorly scrutinised by Parliament, like that setting up the Child Support Agency. This seems to have been equally poorly thought out and likely to be as badly received by those on whom it will have an impact.

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Baltic states not 'cheeky' to criticise Russia's Chechen policy

From Mr David Mardiste.

Sir, I was surprised by John Thornhill's comment that "the Baltic states had the *temerity* to criticise its [Russia's] Chechen policy" in his article "Liberals in the cold as Russia hardens line" (January 3).

The position of Estonia is the same as the CSCE 1991 Moscow Document, according to which the observance of human rights is not the internal affair of any country, but is the object of justified attention by the international community, a position espoused by the Russian Federation on issues not in its own borders.

There is nothing rash about a country on the frontline of a possible refugee problem being concerned about the significant crisis in a neighbouring state. Nor is there any "cheek" involved. Estonia has a positive human rights record verified by more than 16 independent international observer missions and has earned membership of the Council of Europe. Only unsupported and ungrounded allegations suggest otherwise.

I was surprised that Thornhill had the *temerity* to write such a statement.

David Mardiste,
Tallinn,
Estonia

Guarantee is best answer

From Mr Michael Varcoe-Cocks.

Sir, The suggestion in your editorial, "Make them liable" (January 5), that, "at the very least, all subsidiary companies should be required to state clearly on their notepaper whether their parent stands behind them" would have virtually no legal effect. The statement would not create a legal obligation by the parent towards the subsidiary's creditors without statutory amendments which would raise the complications you mention.

There is a simple solution to any concern about a holding company's responsibilities for the liabilities of its subsidiaries: a parent company guarantee. Holding companies are often reluctant to guarantee the obligations of their subsidiaries – for example, they have to account for such guarantees as contingent liabilities, but if the creditor does not get one or ask for one, he knows the subsidiary is on its own and cannot complain if the parent refuses to get involved at a later date.

Michael D Varcoe-Cocks,
5 Brackenbury Road,
London W6 0BE

What if history repeats itself?

From Mr John Goodall.

Sir, Bill Robinson's article, "Cause for celebration" (January 3), is an excellent and lucid explanation of what is going on with the UK economy.

Mr Robinson has, however, overlooked one quite probable and significant eventuality which history would suggest has a habit of repeating itself.

What will happen to the economy should the price of oil quite unexpectedly double again? Presumably sterling would inexorably rise and all these wonderful improvements in our fortunes would be reversed by our refound wealth?

Should he not now advise Norman Lamont's successor as chancellor to put the pound back into the ERM before it is too late?

John Goodall,
Avenue Louise 136,
1050 Brussels, Belgium

Landlords seize Athena stock in lieu of rent

By David Blackwell and Jim Kelly

Landlords to Athena Holdings, forced into receivership 10 days ago by specialist retailer Pentos, have seized stock at 30 of the poster and greetings card shops to cover unpaid rent.

It is understood that 25 shops were not open for business yesterday morning and that a further five were shut by the close of business last night.

Pentos itself is expected to make a Christmas trading statement early next week. This will give the first indication of the state of play at Pentos since it called in the receivers to Athena, with up to £15m owed to creditors.

Some landlords remain optimistic that at least part of the 157-strong chain of Athena stores will find a purchaser and continue to trade. But one City analyst said that it would not be easy for anyone to make money from the stores, which sold small ticket items from a high cost base.

The City will be looking for indications of a strong performance from Dillons, the flagship chain of bookshops. At the interim stage, when the loss was £36m, like-for-like sales at Dillons were 2 per cent ahead.

Analysts said yesterday that the increase would need to be nearer 10 per cent for the group to convince investors that it had a long-term future. The ring-fencing of Athena would only have been done if the group believed itself unable to carry the losses.

Further, one observer suggested that Dillons could be suffering from similar property problems to Athena.

It is generally accepted that the group, already about 100 per cent geared, needs another rights issue to follow last May's £45m 4-for-3 rights issue at 25p. But the shares have since fallen to 14½p.

"Pentos is going to be in intensive care for a long, long time," said one analyst. "There will be more write-offs and more red ink. If you are a shareholder you are in for a long and bumpy ride."

Mr Bill McGrath, the Pentos chief executive, has himself had a bumpy ride during the past 12 months since he was given the task of restructuring Pentos after the removal of its founding chairman, Mr Terry Maher.

Mr Maher has not gone quietly, bringing out his version of events in a book entitled Against My Better Judgment.

Mr McGrath, who once ran Wickes, the DIY chain, has also had to face attacks from former management, who accused him of making things worse. He defended himself vigorously, saying that the company would not have survived without last year's rights issue.

"The business had bank debts of over £90m and owed suppliers nearly £55m, and this is a company with a turnover of £245m," he said in October. "I think that might put into perspective how the business had been managed up until then."

Meanwhile, Slough Estates, one of the UK's biggest property companies, confirmed yesterday that it had seized the stock at the Welling Garden City branch of Athena.

Jones Lang Wootton, the chartered surveyors, said it had decided to seize the stock at the Bristol, Horsefair, branch of Athena on behalf of Bass Pensions, for which they are fund managers. The status of the lease had not been decided.

Norwich Union, another Athena landlord said: "We have taken steps to recover debts." However, Norwich Union said that it had not closed any shops but had seized stock. "We would much rather see these shops trading."

Scantronic criticises tactics of possible bidder

By Geoff Dyer

Scantronic Holdings, the security components company which yesterday announced an interim pre-tax loss of £2.43m, hit out at the tactics adopted by one of the parties it had been in talks with until December about a possible offer for Scantronic.

The party is believed to be Menvier-Swain, the emergency lighting and alarms maker, which announced in October that it was considering making an offer for Scantronic.

Mr Chris Brookes, chief executive of Scantronic, claimed that the party in question had approached several of Scantronic's customers. "This led to confusion among those customers as to what products would be available should an acquisition take place."

He also said that the party had tried to poach several of Scantronic's staff while discussions were taking place.

He added that the party then refused to sign two confidentiality agreements which it had been involved in negotiating.

Mr Carl Hadley, finance director at Menvier-Swain, refused to comment on the specific points. He did say that, as Menvier was a competitor in some areas with Scantronic, "it is natural that we are dealing with the same customers, one of which is Alarmexpress", the Scantronic subsidiary acquired in 1993.

Scantronic's loss for the six months to September 30, against a profit of £1.59m, was in line with the company's estimate at the time of its open offer in November which raised £1.61m.

There were exceptional charges of £1.73m, of which £600,000 is believed to be the result of inaccurate cash-flow forecasts, £500,000 for reorganisation costs, including 40 redundancies and £400,000 from introducing more prudent accounting policies and cleaning up the balance sheet. No balance sheet was published with the results.

Losses per share were 8.1p (1.4p earnings) and no ordinary or preference dividends are expected for the year. Turnover was £29.3m (£20.8m).

UK manufacturing and sales suffered operating losses of £405,000 (£1.49m profits) and Alarmexpress, the UK distribution subsidiary which in December closed two of the 10 branches it opened in the year, incurred a £325,000 loss.

British Land raises its bid to the equivalent of 82.5p in the pound

New offer for Stanhope's banks

By Simon London, Property Correspondent

British Land yesterday formally increased its rescue offer for Stanhope, the property development company headed by Mr Stuart Lipton which has been teetering on the brink of receivership since its bank facilities expired on December 22.

British Land is thought to have raised its cash-and-paper offer to a level which would offer Stanhope's banks repayment of 82.5p in the pound on their £148m loans.

The 16 banks led by Barclays met yesterday morning to consider British Land's revised offer and alternative refinancing proposals made by PosTel, the post and telecommunications pension fund.

PosTel has proposed a £250m rights issue, substantially underwritten by itself and another pension fund. This would allow Stanhope to repay a similar proportion of its loans as under the British Land plan.

The rights issue would also provide funds for Stanhope to buy the 50 per cent it does not already own of Broadgate Properties, the holding company for much of the Broadgate office complex in the City of London, from the receivers to Rosehaugh, its former development partner.

At a meeting on Thursday, PosTel offered Rosehaugh's 30 creditor banks about £110m for their half-share of Broadgate Properties. While Rosehaugh's banks have not decided to accept this offer, sources close to the talks said that the negotiations had gone well.

However, it remains unclear whether either of the rescue offers on the table will be enough to satisfy Stanhope's banks.

Some are still reluctant to take a write-off up to 17.5p in the pound on their loans.

While the syndicate declined to extend further credit two weeks ago, neither has it called the loans into default. This leaves Stanhope in limbo pending a final decision by its bank on whether to accept one of the rescue proposals.

MGM cinemas back in spotlight

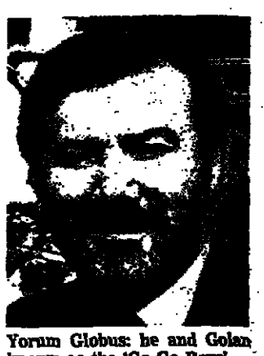
Crédit Lyonnais is casting for the role of buyer, says **Alice Rawsthorn**

There was a time when the ABC Cinema, with its neon-lit popcorn stall and back row seething with amorous adolescents, was a firm fixture in most British city centres.

The ABC logo disappeared after a series of corporate machinations in the 1980s. The cinemas survived under the new name of MGM and are now back in the spotlight, having been put up for sale by their current owner – Crédit Lyonnais, the ailing state-controlled French bank.

Giancarlo Parretti: defaulted on repayments of a $1bn loan

Menachem Golan: co-owner of Cannon, which bought MGM



Yorum Globus: he and Golan known as the 'Go Go Boys'

Crédit Lyonnais, which is under intense pressure from the French government to reduce its debts, has appointed SG Warburg, the London-based merchant bank, to orchestrate the sale. Warburg hopes to sell the chain – which includes 22 cinemas in the Netherlands, seven in Denmark, and 119 in the UK and Irish Republic – by early summer.

A number of companies have already been mooted as prospective purchasers, including Craig, a US property and finance group, PolyGram, the London-based entertainment company, and Rank Organisation, one of the UK's largest leisure concerns, which already owns the Odeon cinema chain. Speculation in the French press suggests that Crédit Lyonnais envisages a price tag of around FFr1.2bn (£140m).

The MGM chain is no stranger to corporate drama. ABC Cinemas formed part of the Thorn EMI Screen Entertainment business that Thorn sold in 1986 to Mr Alan Bond, now bankrupt but then one of Australia's most flamboyant entrepreneurs.

Mr Bond owned it for just one week before selling it to Cannon, the entertainment group owned by Mr Yorum Globus and Mr Menachem Golan, the ebullient Israeli-born cousins known as the Go Go Boys. Cannon was taken over the following year by Mr Giancarlo Parretti, the Italian financier who later acquired MGM/UA, the US film studio.

Crédit Lyonnais stepped into the frame when Mr Parretti defaulted on the repayments of a $1bn loan. The bank emerged as the reluctant owner of the MGM studio and the cinemas that bore its name.

The studio is still trying to recover from years of mismanagement. Crédit Lyonnais has delayed its disposal until it is in better shape. The cinema chain is relatively robust, with estimated turnover of £100m last year, and the bank is keen to sell it as quickly as possible.

Fortunately for Crédit Lyonnais, the cinema industry is in good shape. It has shown healthy growth across Europe in the early 1990s, thanks to heavy investment by cinema owners in renovating old theatres and opening new multiplex complexes accompanied by equally heavy investment in film production by the US studios.

The cinema industry has not only benefited from rising attendance levels but has been able to raise ticket prices. The UK – where MGM is the market leader with 25.5 per cent of 1993 box office receipts against 20.6 per cent for UCI, a joint venture between the Paramount and MCA entertainment groups – has seen admissions rise from 54m in 1984 to more than 115m last year. The same pattern is apparent in the Irish Republic, where attendance has more than doubled from 4.5m in 1985 to over 10m.

Crédit Lyonnais hopes that the buoyant state of the cinema business will be reflected in the sale price. However, the MGM chain has not been unaffected by its recent corporate upheavals.

The cinemas have benefited from some investment under Crédit Lyonnais. But the troubled French bank has not been able to invest as aggressively as some of MGM's rivals, notably UCI, which spearheaded the development of multiplexes in Europe, or Odeon.

Crédit Lyonnais has not yet decided whether to dispose of the business as a package or to sell the national chains separately. The prospects for the sale of the Danish chain are complicated by the position of Egmont, a local company and Crédit Lyonnais' joint venture partner in the business.

However, there seems to be no shortage of suitors for MGM Cinemas. Craig, a Los Angeles property and financial services group, has confirmed its interest in acquiring the chain through Reading, its Philadelphia affiliate.

Reading recently bought the largest chain of cinemas in Puerto Rico. It has also formed a joint venture with Pacific Theatres, a US group, to build a megaplex (a complex with between 14 and 24 screens, against six to 13 for a mere multiplex) in California. It is now keen to expand its cinema interests in other countries.

Neither PolyGram nor Rank, the other two rumoured candidates, would comment on their plans. However, Warburg has received several informal indications of interest in MGM Cinemas. It now hopes that some of these approaches will firm up into formal offers once the prospectus is published at the end of this month.

Shares dip to 17p as Rhino warns of disappointing sales

By James Whittington

Shares in Rhino Group fell 2p yesterday to close at 17p after the specialist retailer for computer and video games issued a profits warning prompted by "disappointing summer and autumn trading".

Despite sales more than doubling in 1994 to an estimated £49m (£21.7m), the USM-quoted group said it expected to make a £2m loss at the end of the year against a £2m pre-tax profit in 1993.

The group also reported a change in accounting policy for rent-free periods, which would result in charges of £600,000 a year for the past two years. This would be credited back to the profit and loss account from 1995 onwards.

Mr Bev Ripley, chairman, who started the company in September 1992, said that heightened expectations of new technology which failed to materialise were primarily to blame for the result. "Customers have been holding back from buying our current stock in anticipation of new systems from Sega, Sony and Nintendo, which will now be launched later this year," he said.

The group increased its chain of Future Zone stores from 77 to 112 with the acquisition of 30 Virgin Games Stores for £12.5m from Virgin Group in late 1993. Mr Ripley said the new outlets had had some initial difficulties with sales as a result of the change in brand name, but these had been overcome by the end of the year.

Mr Ripley added that although the normally lucrative Christmas period was "reasonably buoyant", margins were affected by aggressive price discounting by competitors. "We'd hoped for an extra lift at Christmas but this didn't come through," he said.

The group forecasts a 20 per cent increase in sales for the current year with the launch of 32-bit CD-based systems by Sega and Sony and a virtual reality system from Nintendo.

Sturge restructuring hits SNAG

By Ralph Atkins, Insurance Correspondent

Shareholders in Sturge Holdings, which includes several Lloyd's agencies, are being urged by an action group representing lossmaking members of the insurance market to block restructuring plans.

The Sturge Names' Action Group (SNAG) said it had failed to receive an assurance that plans for a new holding company would not be used to place assets outside the reach of litigants. Shareholders will consider the plan at an extraordinary meeting on January 17.

The company has said it wants a new holding company to protect future expansion and reiterated yesterday that it was not the intention to prejudice the interests of potential creditors. SNAG plans to issue writs seeking compensation for losses against Sturge Holdings, several of its subsidiaries and possibly its senior managers.

SNAG said: "We are not seeking to destroy Sturge. We are merely looking for justice."

Slough appointment

Slough Estates, the property company, has appointed Mr John MacGregor, Conservative MP for South Norfolk, as a non-executive director.

Mr MacGregor was Secretary of State for Transport until July 1994 and has been Chief Secretary to the Treasury and Leader of the House. He is also a director of Hill Samuel and Associated British Foods.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Cassidy Bros § ____int	0.75	Apr 6	0.75	-	2.75
Scantronic Hlds ____int	nil	-	0.843p	-	3.121

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock.

FT - SE Actuaries Share Indices - Quarterly Valuation

	Market cap. as at 30/12/94 (£m)	% of All-Share index	Market cap. as at 30/9/94 (£m)	% of All-Share index	Market cap. as at 31/12/93 (£m)	% of All-Share index
FT-SE 100†	505,950.70	71.35	498,500.00	71.31	553,284.99	73.08
FT-SE Mid 250†	152,161.80	21.46	149,100.00	21.33	157,510.88	20.81
FT-SE Mid 250 ex. Inv. Trusts†	135,913.80	19.17	132,700.00	18.98	141,007.03	18.63
FT-SE A 350†	658,112.50	92.81	647,600.00	92.64	710,795.87	93.89
FT-SE A 350 Higher Yield†	320,287.40	45.17	-	-	-	-
FT-SE A 350 Lower Yield†	337,825.10	47.64	-	-	-	-
FT-SE SmallCap†	50,945.9	7.19	51,400.00	7.36	46,244.70	6.11
FT-SE SmallCap ex Inv. Trusts†	43,090.1	6.08	43,400.00	6.21	38,091.74	5.03
FT-SE-A ALL-SHARE	709,058.38	100.00	699,043.85	100.0	757,040.57	100.00
10 MINERAL EXTRACTION (16)	63,322.36	8.93	62,185.63	8.90	59,939.30	7.92
12 Extractive Industries (4)	10,619.25	1.50	10,732.82	1.54	10,268.19	1.36
15 Oil, Integrated (3)	48,112.41	6.78	46,776.83	6.69	45,379.15	5.99
16 Oil Exploration & Prod (11)	4,590.70	0.65	4,675.88	0.67	4,291.96	0.57
20 GEN MANUFACTURERS (268)	137,739.02	19.43	140,954.30	20.16	145,206.27	19.31
21 Building & Construction (33)	5,727.06	0.81	6,088.92	0.87	6,562.48	0.87
22 Building Matls & Merchs (32)	19,836.24	2.80	20,468.93	2.93	23,199.21	3.06
23 Chemicals (23)	16,285.74	2.30	16,846.08	2.41	15,921.21	2.10
24 Diversified Industrials (16)	33,771.60	4.76	34,261.84	4.90	37,842.39	5.00
25 Electronic & Elect Equip (33)	14,765.19	2.08	15,266.83	2.18	16,800.06	2.22
26 Engineering (71)	25,748.53	3.63	25,738.37	3.68	26,359.15	3.35
27 Engineering, Vehicles (12)	6,507.43	0.92	6,752.01	0.97	5,633.06	0.74
28 Printing, Paper & Pckg (26)	11,157.01	1.57	11,397.06	1.63	10,198.33	1.35
29 Textiles & Apparel (20)	3,940.22	0.56	4,132.24	0.59	4,690.36	0.62
30 CONSUMER GOODS (99)	134,368.05	18.95	128,477.13	18.38	140,676.26	18.58
31 Breweries (17)	13,246.42	1.87	12,978.47	1.86	13,727.31	1.81
32 Spirits, Wines & Ciders (10)	24,630.12	3.47	24,996.99	3.58	26,737.08	3.53
33 Food Manufacturers (24)	25,989.67	3.67	25,043.75	3.58	27,007.06	3.57
34 Household Goods (13)	3,169.90	0.45	3,086.76	0.44	3,599.94	0.48
36 Health Care (21)	4,756.36	0.67	4,809.49	0.69	4,769.93	0.63
37 Pharmaceuticals (12)	48,373.83	6.82	44,108.75	6.31	47,798.19	6.31
38 Tobacco (2)	14,201.75	2.00	13,452.93	1.92	17,036.73	2.25
40 SERVICES (219)	136,216.98	19.49	138,555.32	19.82	148,426.99	19.61
41 Distributors (30)	6,779.21	0.96	6,967.76	1.00	7,663.22	1.01
42 Leisure & Hotels (25)	19,144.48	2.70	18,182.58	2.60	16,972.18	2.24
43 Media (39)	26,080.70	3.67	26,112.46	3.73	26,692.79	3.53
44 Retailers, Food (16)	21,064.15	2.97	20,549.50	2.94	20,339.96	2.69
45 Retailers, General (46)	37,713.89	5.32	38,566.55	5.52	44,786.57	5.91
48 Support Services (41)	9,196.56	1.30	9,279.07	1.33	10,045.12	1.33
49 Transport (16)	17,655.05	2.49	17,779.29	2.54	20,211.21	2.67
51 Other Services & Business (6)	600.94	0.08	1,118.11	0.16	1,715.94	0.23
60 UTILITIES (37)	99,125.56	13.98	95,016.10	13.59	108,572.24	14.34
62 Electricity (17)	32,129.79	4.53	30,769.94	4.40	31,690.04	4.19
64 Gas Distribution (2)	14,055.42	1.98	13,407.64	1.92	15,311.37	2.02
66 Telecommunications (5)	40,494.55	5.71	38,200.31	5.46	47,394.35	6.26
68 Water (13)	12,445.8	1.76	12,638.21	1.81	14,176.48	1.87
69 NON-FINANCIALS (639)	572,771.97	80.78	565,188.48	80.85	603,821.06	79.76
70 FINANCIALS (108)	110,499.66	15.58	107,716.07	15.41	128,834.41	17.02
71 Banks (10)	61,822.02	8.72	59,418.90	8.50	73,656.04	9.73
73 Insurance (17)	13,831.23	1.95	14,386.01	2.06	17,687.01	2.34
74 Life Assurance (6)	10,017.35	1.41	9,756.72	1.40	11,549.36	1.53
75 Merchant Banks (6)	4,885.23	0.69	4,647.77	0.66	5,600.90	0.74
77 Other Financial (26)	6,301.66	0.89	5,859.65	0.81	5,761.46	0.76
79 Property (43)	13,642.17	1.92	13,847.02	1.98	14,579.64	1.92
80 INVESTMENT TRUSTS (124)	25,786.75	3.64	26,139.30	3.74	24,385.10	3.22
89 FT-SE-A ALL-SHARE (871)	709,058.38	100.00	699,043.85	100.00	757,040.57	100.00
FT-SE-A Fledgling	12,992.92	-	-	-	-	-
FT-SE-A Fledgling ex Inv Tst	10,757.14	-	-	-	-	-

† Figures rounded due to slight pricing inconsistencies.

Former C&J Clark chief resigns in board shake-up

By William Lewis

A boardroom shake-up at C&J Clark, the family-owned shoe company, has led to the resignation of one director and the creation of a new chief executive post. The changes come ahead of Clark's flotation possibly towards the end of this year.

Clark announced yesterday that Mr John Clothier, formerly group managing director, had resigned to "pursue outside interests".

Mr Roger Pedder, previously non-executive chairman, has now become executive chairman and Mr Malcolm Cotton has become managing director of group operations.

The company also said that it was looking for candidates to fill the new post of chief executive and to replace Mr Cotton as international director. Last year the company confirmed it was in talks with Mr Peter Bolliger, former managing director of Harrods, the Knightsbridge department store, with a view to his joining the board with executive responsibility.

"These changes do not signal any significant new strategy initiative," the company said yesterday. "Rather they are intended to underpin the changes which will be necessary to meet planned targets, to develop the business internationally, and to achieve flotation when circumstances allow."

In 1993 Clark shareholders narrowly threw out a £184m takeover bid from Berisford International.

The annual report shows Mr Clothier held 2.2m Clark shares at January 31. He was appointed to the board in 1985 and has been with the group for 25 years. Clark did not disclose whether he would be receiving compensation.

Chesterfield FFr72m French acquisition

Chesterfield Properties has acquired a majority interest in Chateau Rouge, an office complex in Lille, through its French subsidiary, SAI Elysee-Roosevelt, for FFr72m (£8.51m).

Chesterfield has acquired 75 per cent of the company that owns the complex from Auchan, the French supermarket chain. The remainder is being taken up by private investors.

Albright & Wilson completes appointments

Albright & Wilson, the specialist chemicals company which is preparing to float on the London Stock Exchange, has completed the formation of the non-executive membership of its board.

The company – a subsidiary of Tenneco, the US industrial conglomerate – hopes to raise at least £600m in the flotation, which is expected to take place within the next three months when the non-executive directors will take up office.

Sir Christopher Benson, currently chairman of the Sun Alliance and Costain groups and deputy chairman of TLG, is to become non-executive chairman.

Other non-executive directors will be: Mr Michael Garner, acting chairman of Taunton Cider, and Mr Nicholas Barber, deputy chairman of Royal Insurance.

In addition, Mr Hans Lottig, who has been a non-executive director of Albright & Wilson since 1990, will continue in office.

Prudential in £33m shops buy

Prudential is buying the Greenock Shopping Centre, Strathclyde, for £33m – an equivalent yield of 9 per cent.

The 260,000 sq ft centre is virtually fully let to 85 tenants, almost all of whom are national or regional multiples, and currently produces some £2m a year.

Prudential anticipates the rent roll will rise to £3m a year within two years.

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هكذا من الأصل

INTERNATIONAL COMPANIES AND FINANCE

UBS demands SFr150m for BK Vision challenge

By Ian Rodger in Zurich

Union Bank of Switzerland said it was seeking SFr150m ($115m) from BK Vision, its largest shareholder, for possible damage caused by BK's legal challenge to the implementation of its share unification scheme.

The demand, revealed in a new year's letter from Mr Nikolaus Senn, UBS chairman, and Mr Robert Studer, chief executive, to their shareholders, would appear to intensify the already bitter battle between the two sides.

BK Vision, an investment fund controlled by Mr Martin Ebner's BZ banking group, is challenging the legality of a decision taken at a UBS shareholders' meeting in November to convert its registered shares into bearer shares without compensation.

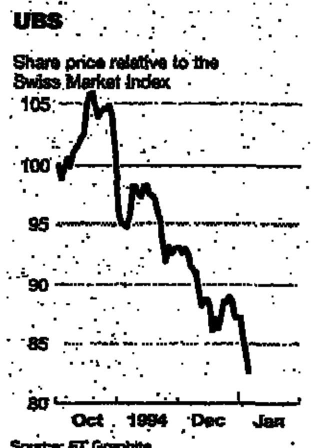
The challenge has led to a sharp decline in the value of UBS shares and growing calls from frustrated investors for both sides to settle their differences. However, in their letter, Mr Senn and Mr Studer indicated they saw no room for compromise.

"The idea of deviating from the decisions of the general meeting cannot be entertained in any way," they said.

UBS said the letter was in part a response to a statement by BK Vision last week. In an advertisement, BK Vision said: "We are convinced that the rights of the UBS registered shareholders will remain protected."

UBS

Share price relative to the Swiss Market Index



Source: FT Graphite

UBS said the SFr150m was an estimate of the likely costs to the bank resulting from the negative impact of the legal struggle on its share prices. In particular, raising new capital would be more expensive, it said.

BK Vision said the claim was an improper attempt to intimidate shareholders. "We have a law and it is clear that shareholders have the right to challenge the directors if they think things are not okay," Mr Kurt Schiltknecht, a BK director said.

Mr Schiltknecht said it looked as if UBS was trying to regain the initiative after a week in which tough questions were raised in Swiss financial circles about the propriety and legality of the bank buying large volumes of its own shares in the weeks leading up to the November vote.

IBM treasurer retires this month

By Alan Cane

Mr Frederick Zuckerman, International Business Machines' treasurer, will retire this month. He will be replaced by Mr Jeffrey Serkes, 36, currently assistant treasurer.

Mr Zuckerman, 60, was brought into the computer group some 15 months ago by Mr Jerome York, IBM's senior vice-president. The two men had worked together at Chrysler where Mr York was chief financial officer.

Mr Zuckerman is one of several senior executives recruited by Mr Louis Gerstener, IBM chairman, from RJR Nabisco, Mr Gerstener's former company. Mr Serkes was deputy treasurer of RJR Nabisco before joining IBM last August.

● IBM refused to confirm or deny reports that Mrs Ellen Hancock, head of large system software and IBM's most senior woman executive, was leaving the company.

PNC Bank restructures to reduce exposure

By Richard Waters in New York

PNC Bank, the Pittsburgh-based institution which had been one of the most exposed among US regional banks to rising US interest rates, has restructured its investments to eliminate much of the risk.

PNC said yesterday it had sold $1.8bn of fixed-rate bonds, prompting an after-tax loss of $79m. It added that it had bought interest rate caps and interest rate swaps under which it will pay a fixed rate. These instruments, with a combined notional value of $10.5bn, have the effect of capping the bank's exposure to further rises in interest rates.

The bank's move echoes recent efforts by others, such as Ohio-based BancOne, which had also been caught out by the rapid series of interest rate rises last year. These banks have generally unloaded holdings of fixed-rate bonds or unwound derivative positions which had left them with an exposure to rising rates.

This marks a reversal of an investment policy common among US banks in the early part of the 1990s. With little demand for loans and a rising bond market, many banks had built up large holdings of fixed-rate securities and interest rate swaps under which they received a fixed interest rate, boosting their net interest income. The bond market collapse last year undermined such holdings.

Much of the cash from PNC's sale of investments will be used to repurchase shares, helping to support the bank's earnings per share. It said it would buy up to 24m shares, equivalent to 10 per cent of the shares outstanding at the end of 1994.

PNC's remaining investment portfolio, which totalled $22.9bn at the end of September, will be reduced as instruments mature, the bank added.

After the restructuring of its investment holdings and a $31m after-tax charge to cover a restructuring of some of its operations, PNC said its 1994 after-tax profits were an estimated $619m, or $2.56 a share.

Gold streaks highlight Japan's grey waves

Shiseido's fastest growing products are aimed at the aged, writes **William Dawkins**

The mellowing of Japan, the world's fastest ageing country, is proving to be a gold mine for Shiseido, its largest cosmetics company.

Anti-ageing products, such as creams which claim to smooth out fine wrinkles and anti-baldness lotions, have been the only part of Shiseido's business to grow consistently during the past three years, report group officials.

Dr Tatsuya Ozawa, the rosy cheeked and lively 61-year-old head of Shiseido's research and development, believes this product line, built up over the past decade, will continue to be the group's fastest growing and most profitable activity for many years to come.

Sales of Shiseido's 90 anti-ageing products grew by about 5 per cent last year, to Y200bn ($1.98bn), just over 36 per cent of total group sales, while demand for the rest of Shiseido's goods – perfumes, shampoos and standard cosmetics – stagnated.

Profit margins on these expensive panaceas, retailed at Y10,000 for a 30-gramme toothpaste-sized tube of Whitess skin cream, are far higher than on other Shiseido products.

Grey wave sales are accelerating, while sales of other cosmetics are recovering to 2 per cent to 3 per cent per year, says the company. Its smaller competitors in Japanese pharmaceuticals, Kanebo, Kose and Kao, have had a similar experience.

As a mark of Shiseido's faith in the continued growth in Japan's taste for ageing elegantly, Dr Ozawa's 1,000-strong team devotes more than half of its annual Y22bn research and development budget on studying the secrets of youth.

However, the signs are that this is a purely Japanese phenomenon, for demographic, economic, and legal reasons.

First, Japan's demography is a unique mixture of ageing post-war baby boom and the current birth rate decline. Today, just under 15 per cent of Japan's population is over 65, about the same as Sweden and Germany, but it is set to climb to almost 26 per cent by 2025, according to the Japanese Ministry of Health and Welfare.

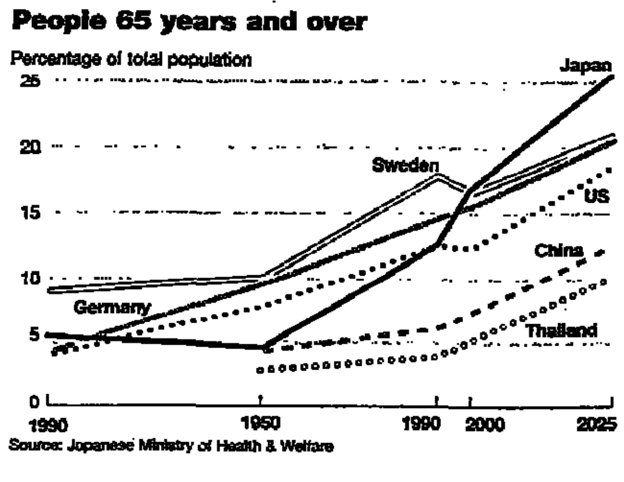
Shiseido's experience is just one example of how this sharply ageing trend is starting to change several Japanese consumer markets, from fashion to savings.

Second, the recession has encouraged a taste for cheapness – *Shiseido's anti-ageing* creams are anything but that – and for the practical.

Cosmetics designed to improve the health of women's skin as well as its appearance fall into the latter category, argues a group spokesman. This is one reason why anti-ageing creams are also popular among women in their 20s and 30s who are seeking to prevent wrinkles developing.

People 65 years and over

Percentage of total population



Source: Japanese Ministry of Health & Welfare

However, the dual role of Shiseido's anti-ageing products, both pharmaceutical and cosmetic, makes it hard to market them abroad. Under product certification laws in the US and most of Europe, they must be sold as one or the other. Japanese certification rules have a unique halfway *category, a quasi-drug cosmetic.*

As a result, Shiseido is allowed to say in its Japanese advertising that its Whitess skin cream will whiten skin, important to ageing Japanese who tend to develop freckles.

It can also tell consumers that its Wrinklelift essence will smooth out fine wrinkles. That was sufficient for Wrinklelift to sell 1.5m bottles in the first year after its October 1993 launch, double Shiseido's pre-launch projection.

Do these cosmetic remedies really work?

Shiseido is obliged to be far less specific in US advertising. A similar product sold there, Bio-Performance *"advanced super revitaliser"*, is marketed as a mere cosmetic, offering a "way to get more energy into your skin".

Accordingly, less than 2 per cent of Shiseido's anti-ageing products are sold outside Japan, well below the 6.8 per cent of group sales made abroad, through overseas production or export.

Shiseido officials admit consumers need to believe in anti-ageing products to get the maximum benefit, on the grounds that you are as old as you feel. The anti-wrinkle creams also work best on the finest, young middle-aged creases, another reason why they also appeal to the young.

There is, of course, scientific evidence for sceptics. A basic ingredient in Shiseido's B.H-24 Day/Night moisturising essence, for example, is hyaluronic acid, the substance which keeps cows' eyes wet, discovered in the 1930s by US scientists. It was not until 1985 that Shiseido's researchers found a way to make hyaluronic acid cheaply, through the fermentation of bacteria.

Dr Ozawa's project list for future cosmetics include skin creams that claim to protect against skin diseases. His laboratories are also working on what promises to be an effective cure for baldness – a market of 15m people in Japan alone.

Shiseido's biggest current baldness cure, "Flowline", has been on the market since 1915. Its main ingredient is alcohol, said to stimulate the cells responsible for hair growth. That, says a Shiseido spokesman, is another product that works best if only you believe in it.

Ralston Purina sells off its baking subsidiary for $556m

By Richard Tomkins in New York

Ralston Purina, the US battery and pet food manufacturer, is selling Continental Baking in a cash-and-share deal worth $556m.

The buyer is Interstate Bakeries, a smaller US bread company based in Kansas City. Interstate said the deal fitted well because Interstate and Continental operated mainly in different geographical areas.

Ralston Purina's disposal of Continental Baking marks the culmination of a long period of withdrawal from the bakery business. In 1993, it spun off the subsidiary to shareholders, but retained a 45 per cent stake.

Continental Baking has some of the best-known bread brands in the US, including Wonder and Home Pride. It also makes snack cakes under the Hostess brand, including the popular Twinkies.

Ralston Purina bought the company in 1984 from ITT, the US conglomerate, for $475m. At first, sales grew, but the company was hit by competition and in the year to September 1994 made net losses of $26.5m.

Mr William Stiritz, chairman and chief executive of Ralston Purina, said: "Given the fiercely competitive baking industry and the problems Ralston has faced, we feel the proposed sale is in the best interests of shareholders."

Continental Baking's shareholders, including Ralston Purina, are being offered $330m in cash and 16.9m Interstate shares.

Competition hots up ahead of European telecoms deadline

By Alan Cane

Competition in the European voice telecoms market is intensifying well ahead of 1998, the formal deadline set by the European Commission for liberalisation.

This week Enertel, based in Utrecht, said it was forming an alliance with BellSouth, largest of the US "Baby Bell" telecom companies, to fight for a share of the Dutch voice telephony market.

Enertel is an industrial grouping, comprising the state railway company Nederlandse Spoorwegen and 11 Dutch energy companies.

Enertel and BellSouth plan to operate a new company, Telecom 2, investing about Fl 11bn ($574m) in networking infrastructure to take a 20 per cent share of the Dutch voice telephony market by 2005.

It is understood the railway and BellSouth will each hold 20 per cent of the equity in the new company with the energy companies holding the balance.

Enertel has already been given permission to compete on fixed line telephony with the Dutch PTT, Koninklijke PTT Nederland (KPN).

Formerly the monopoly supplier, KPN was partially privatised in June last year. Some 30 per cent of the company was floated on the Amsterdam Stock Exchange.

Enertel said this week Telecom 2 hoped to secure an operating licence during 1995. The company could be operational by the end of the year.

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HE'S DESTROYING HIS OWN RAINFOREST. TO STOP HIM, DO YOU SEND IN THE ARMY OR AN ANTHROPOLOGIST?

In the Amazon, some native peoples are felling their forest for cash. (In one case, for the price of fifteen kilometres of road and a car to run on it.)
Yet everyday the readers of papers and magazines like this one are inundated with appeals to save native peoples.
Do they really deserve our support?
The truth is, they are not the problem. They're the victims.
In the last century outsiders have bestowed some dubious gifts on them; like smallpox, tuberculosis, and measles. To the list can now be added greed and corruption.
Many governments have a vested interest in the destruction of the forests. Saddled with huge debts, logging provides a quick financial fix. So much better if the native peoples can be persuaded to help. Duped into selling land, some Indians become unwitting accomplices to the forests' disappearance.
The only army that can stop this is an army of concerned people. What can we do?
We're WWF - World Wide Fund For Nature.
Our conservation scientists and anthropologists are engaged in research work in the Peruvian Amazon that has shown that harvesting fruits, oils, rubber, medicinal plants, and forest products like rattan can produce up to seven times as much income as from intensive logging.
Another WWF survey found that fruits and latex from the forest were worth nine times more than timber.
It seems so simple. Yet only 0.1% of the tropics' productive forests are used in this way.
We need to lobby governments. We need to work with native peoples to develop conservation techniques.
We've already started a programme that proves, without interference, traditional agricultural methods can actually improve the soil.
In Peru, WWF co-operates with the Yanesha people. Here trees are only harvested if it encourages the growth of new saplings. WWF provides financial support and assistance on over 100 tropical forest projects like these.
Of course, we don't have a bottomless well of money to play with. If you can make a donation or legacy, we'd be grateful. What is at stake is the future of the forests and their peoples.
On average, one Amazonian tribe has become extinct every year this century.
Enough is enough.
World Wide Fund For Nature
(formerly World Wildlife Fund)
International Secretariat, 1196 Gland, Switzerland.
WWF

British Airways: one of the strongest Footsie performers of the week

London

Shares get that Friday feeling

Philip Coggan looks for signs of a new year rally

January is traditionally a month when share prices rally in the UK. According to brokers Charterhouse Tilney, equities have only declined in January in five of the last 30 years.

But it was not until yesterday that the market showed signs of maintaining January's record. Having started the year at 3,065.5, the FT-SE 100 Index fell a net 1.1 per cent over the week's first three trading days.

However, the market was transformed on Friday, in spite of US employment figures which might have been expected to raise fears of increased interest rates. A 32.7 point rally took the index up to 3,065.0, leaving it virtually unchanged on the week.

Trading volume was pretty thin, perhaps because of Britain's best growth industry: the Christmas holiday season. Not content with the now-standard two-week Yuletide lay-off, there are signs that investors and traders rested for most of this week as well.

There are plenty of people who are prepared to make bullish noises about the UK market, even if such sentiments have yet to translate into serious buying.

As George Hodgson, UK market analyst at S G Warburg points out: in 1995, Britain faces its best economic outlook in terms of growth and inflation, for a generation.

Furthermore, the balance of payments, which many feared would become a black hole as the recovery gathered strength, is forecast by some analysts to be in surplus this year.

Of course, it is quite possible for markets to slump in the face of good economic news, as they did in 1994. Investors are always looking ahead to the next economic problem: if growth is too strong, they fear future inflation; if it is too weak, they worry about impending recession.

However on fundamental grounds, the UK market is seen by most analysts as reasonably valued. The 4 per cent dividend yield on the All-Share, while being below the long term average of 5 per cent, is still well above both the rate of inflation and the levels before the 1987 crash of 3 per cent.

Relative to long term gilts, the yield ratio appears around the middle of its range over the last 20 years. But, as the graph shows, if one does the more simple calculation of subtracting the dividend yield on shares from that on gilts – the so-called yield gap – shares look relatively cheap in recent historical terms.

Gilts offer a yield which is just under 5 percentage points more than the return on shares, compared with an average of 6.1 per cent over the past 20 years, and a high of around 10 per cent in 1982.

However, Ian Harnett, UK chief economist at SGST, says a smaller yield gap should only be expected in an era of subdued inflation, when nominal yields on both gilts and equities are lower. Before 1959, equities actually yielded more than gilts.

Whatever the arguments about yields, the real danger to the UK market still comes from Wall Street where share valuations look stretched, both in relation to bonds and in terms of nominal dividend yields. "If we get caught in the backlash of a Wall Street correction," says Hodgson, "it may be a case of the UK outperforming but losing money."

■ ■ ■

For one beleaguered sector, retailing, there were signs this week that Santa had delivered the top item on its wish list – shoppers with open wallets. Next, the fashion store group, said on Wednesday that the two weeks before Christmas were "particularly strong" while William Morrison, the Bradford-based supermarket chain, said that trading during Christmas week broke all records.

Boots said that December more than made up for a sluggish October and November, although it stressed that sales growth reflected effective pricing rather than any improvement in consumer confidence.

This may be a sign that retailers' fortunes were rather mixed in December, with large stores, who can afford to price competitively, taking the bulk of the gains.

A December trading statement from British Airways made it one of the strongest Footsie performers of the week, even though Virgin won approval to go ahead with its anti-trust case against BA in the US courts.

Passenger volumes were 6.7 per cent ahead of December 1993 and analysts marked up their profits forecasts. The shares climbed 26p, or 7.3 per cent, on the week to 383p.

Takeover speculation about the regional electricity companies took a knock early in the week as expectations rose that the Trafalgar House bid for Northern Electric would be referred to the Monopolies and Mergers Commission. However, the rec stocks rallied yesterday when Swiss Bank Corporation declared stakes in both Northern and Yorkshire.

■ ■ ■

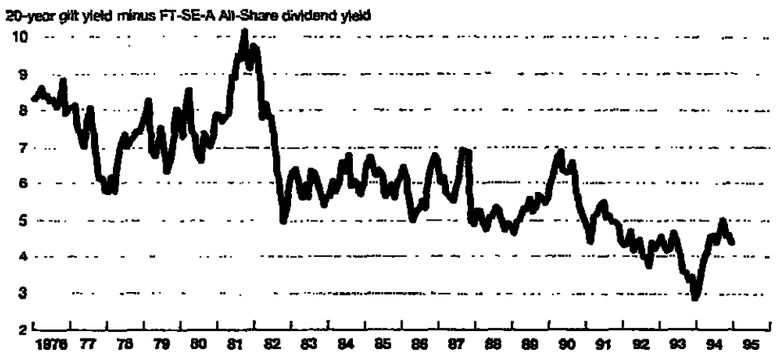
Finally, this column hopes to introduce a number of indicators of the health of the corporate sector and the stock market over the coming months. One vital issue for many investors is the level of dividends. A rising dividend is normally a sign of corporate confidence.

A simple measure uses the dividend announcements on the FT's company news pages. Take the number of dividend rises, subtract the number of falls, and express the difference as a percentage of the total.

This week, there were five increases, no declines, and two unchanged payments; the calculation thus yields 71.4 per cent. Of course, there were so few results this week that the figure is meaningless, and the trend is the important thing. Nevertheless, the column will regularly update readers on the movement in this figure (using a rolling four week average) as the important results season gets under way.

UK yield gap

20-year gilt yield minus FT-SE-A All-Share dividend yield



Source: Datastream

■ Highlights of the week

	Price y'day	Change on week	1994/5 High	1994/5 Low	
FT-SE 100 Index	3065.0	-0.5	3520.3	2876.6	Interest rate nerves
FT-SE Mid 250 Index	3479.6	-22.2	4152.8	3363.4	Modest profit-taking
BAT Inds	450	+18½	570	372	Warburg turns buyer
BOC	716	+12	767	627	Good news on pricing
BSkyB	246	-10½	259	245½	Stabilisation ends
British Airways	383	+26	496½	344	Improving load factor
Burmah Castrol	833	+18	919	783	Cazenove support
Eurotunnel Uts	315	+31	592¾	195	French investment demand
MEPC	369	-13	562	353	UBS negative on NAV
NatWest Bank	496	-18	622	421	UBS less positive
P & O Defd	581	-29	743	580½	Competition worries
RTZ	803	-24	905	790	Capel downgrade
Vodafone	202	-10	221	157½	Profit-taking
Wellcome	687	-14	731	498	Drug approval worries
Yorkshire Elect	740	+13	795	532	Bid speculation

Wall Street

Companies re-write the rules on jobs

Unemployment is falling – but so are pay levels, says **Richard Waters**

Traders on Wall Street have had jobs on the mind this week – both their own, and those of their generally less well-paid fellow citizens. The bond market collapse of '94 is creating a growing stream of unemployed traders and investment bankers although, in the rest of the country, the unemployment rate has been falling fast. It ended last year at just 5.4 per cent, the lowest level in 4½ years, according to figures from the Labour Department yesterday.

What is happening in the labour market could provide one of the biggest clues as to where stock prices will go in 1995. Traditionally, falling unemployment feeds through into higher wages as employers out-bid each other to recruit from a dwindling pool of available workers.

That, in turn, encourages companies to increase prices to protect their profit margins – and higher prices lead to higher interest rates as the Federal Reserve tries to stamp on inflation.

That, at least, is the theory. But something different has been happening which challenges traditional thinking. For while many new jobs are being created in large numbers – 3.5m last year in total – wages are not rising in the way you might expect.

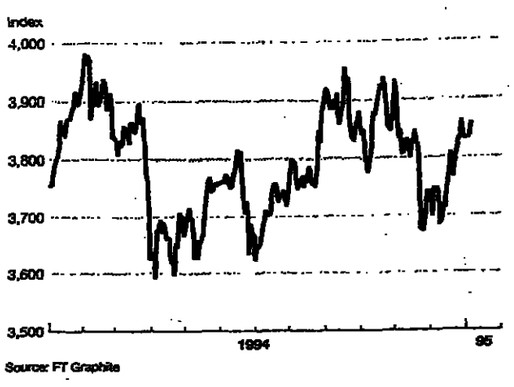
A prime example came on Wednesday at Bridgestone/Firestone, the Japanese-owned tyre company which has been fighting a strike by members of the United Rubber Workers union at three of its 10 plants. It said it had started to hire permanent replacements for these workers. And although the terms and conditions being offered are less attractive than those to their predecessors, the queue for jobs has been strong. In Oklahoma City, where one of the three striking plants is based, Bridgestone says it has had 5,000 applications for just 300 jobs.

The terms are instructive. Bridgestone's replacement workers are being hired at 70 per cent of the pay of their experienced predecessors - although the company says they will get the full pay level when they have three years' experience (it adds that the advanced machinery now in place in its factories makes tyre manufacture a less-skilled job than before; thus, workers need less training).

Equally important, the new workers have agreed to work 12-hour shifts rather than the previous eight hours, and to keep the plants running continuously. (Longer shifts reduce the time wasted when shifts change over.) They also stand to receive a 15 per cent pay rise over the next three years – but only if productivity rises.

It is not hard to see why Bridgestone is so eager to cut employment costs. After $1bn of losses in the three years to 1992, it barely crept into profit 1993 and 1994.

Dow Jones Industrial Average



Source: FT Graphite

Like other tyre-makers – and manufacturers generally – it also faces higher commodity costs (in its case, natural rubber and carbon black, a strengthening material in tyres). Yet, it has been unable to put up its own prices by much: Detroit's car-makers, trying to rebuild their own profits, have generally stood firm against price rises by any of their suppliers.

Bridgestone is not alone. Caterpillar, for instance, has been holding out against a strike by nearly 10,000 members of the United Auto Workers (UAW) union for more than six months – and posting strong results besides. The company says it simply cannot give in to union demands. "This is a global economy. We have a primarily US-based work force and yet half our sales are made overseas."

These two cases are more symptomatic of the general mood than the strike which disrupted General Motors' North American production last summer. At that time, the UAW complained about the growing pressure on its members to work ever-longer hours as more cars rolled off the assembly lines. The row was seen in Detroit as an isolated case, a sign of bad relations between GM and its workers, rather than a symptom of wider pressures.

In any case, car-makers are having no problem finding people to work the additional shifts being introduced in many of their plants, even though the unemployment rate in Michigan is now one of the lowest in the country. At around $17 an hour, car-workers earn roughly twice the average, says Rick Wagoner, head of GM's North American operations.

This explains what is happening at Bridgestone (where average pay of union workers is $17 an hour) and Caterpillar ($17 to $19), too. In what is increasingly caricatured as a hamburger-flipping economy, high-paid manufacturing jobs remain scarce.

The devaluation of the Mexico peso a fortnight ago is likely to keep up the pressure. Many of the companies that make cars or supply manufacturers – Bridgestone included – have plants in Mexico. Provided the administration succeeds in limiting pay rises in the wake of the devaluation, then the attractions of manufacturing south of the Rio Grande and exporting back into the US can only grow.

Dow Jones Ind Average

	market	closed
Monday		
Tuesday	3,838.48	+ 4.04
Wednesday	3,857.65	+19.17
Thursday	3,850.92	- 6.73
Friday		

Retailing

Christmas surge helps bigger traders

But many companies continue to feel the sales squeeze, reports **Neil Buckley**

The beginning of December used to resound with the merry jingling of cash registers. In recent years, the loudest sound has been the drumming of fingers by nervous retailers – and investors – waiting for consumers to open their wallets.

In the new year, the sound switches to sighs of relief as retailers count their takings and realise that Christmas was rather better than they feared.

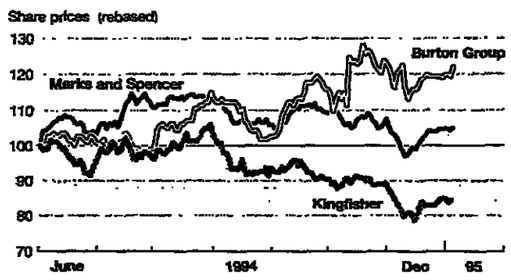
As retailers begin their January round of trading statements, the picture is emerging of a late surge in sales having saved the day for most larger groups – as in the previous two years. Large chains have also continued to take market share from smaller independents. But after an encouraging early autumn, many stores undoubtedly had a difficult time in October and November.

For clothing retailers, the second-biggest segment in the sector after food, exceptionally mild weather depressed sales of coats, scarves, gloves and woollens, with a knock-on effect on other purchases.

Moreover, the effects of the Budget at the end of November, combined with the government's defeat on VAT on fuel and the increase in interest rates, all dampened consumer confidence.

The good, the bad and the steady...

Share prices (rebased)



Source: FT Graphite

"The timing of the Budget is terribly unfortunate, and does affect sentiment in the autumn period," says Alistair Eperon, director of corporate affairs at Boots. "But, eventually, people realise that they have got to buy what they have got to buy."

Other factors have heightened an existing tendency for peak Christmas trading to start later each year. One was the legalisation of Sunday opening, giving consumers extra shopping days in December. And with December 25 falling on Sunday, it led to many retailers having their first seven-day (Sunday to Saturday) pre-Christmas trading week. Several have reported record-breaking figures already for that week.

Retailers' trading statements so far have been reasonable, if mixed. Goldsmiths, the jeweller, reported a 12 per cent rise in like-for-like sales (which exclude new stores) in the month to December 24, and a 19 per cent increase in total sales.

Next, the fashion retailer, surpassed expectations with a 17 per cent increase in high street sales since August. This suggests an acceleration over the Christmas period since it reported in September that sales were running 13 per cent down on the previous year.

Boots reported a 6.1 per cent increase in the three months to end-December, with a 4.1 per cent like-for-like increase in its core Boots the Chemists chain. But Toys R Us told US analysts its like-for-like sales in the UK were down 3 per cent in the eight weeks to Christmas.

Several more statements next week will produce a clearer picture. Body Shop is expected to report a robust performance, while Storehouse's BHS and Mothercare chains are thought to have withstood the effects of the warm weather. Analysts believe that while Sears' clothing chains may have been affected by the weather, its Selfridges department store did well.

The figures from Toys R Us aroused some nerves about Argos, with which it vies for the title of the UK's biggest toy retailer, but Argos' strength in other merchandise may compensate for any weakness in toys.

Dixons, which reports interim results on Wednesday, is thought to have traded reasonably in a difficult electrical goods market. Pre-tax profits are forecast to increase to about £25m-£26m from last year's £17.3m before exceptional costs of £214m from the disposal of its Silo chain in the US.

Later in the month, W.H. Smith is expected to report a good Christmas. Marks and Spencer was hit by the warm weather, but Sunday opening for the first time should keep its comparative sales figures looking healthy.

Burton, which holds its annual meeting on January 26, has seen its shares rise in recent months, with the City believing that the recovery programme initiated by chief executive John Hoerner is starting to work. Attention will focus on its gross margin improvement more than its sales figures.

Kingfisher remains the least favoured stock in the sector. Its Comet electrical chain is thought to have had a difficult Christmas along with Woolworths (with nerves about the latter heightened by the news from Toys R Us).

Barry Riley

Top down goes belly up

There's nothing wrong with risk . . . so long as you survive

I wouldn't say his tail was between his legs exactly – Steve the Strategist is always upbeat – but he did not appear to be travelling in *quite* his usual style when I bumped into him unexpectedly at London's Liverpool Street station.

"I never heard of Stansted airport before," he complained, "and do you know anything about the Paddington Olympic hotel that I've been booked into?"

When I heard that Steve's new hedge fund, Maximo Macro, was closing down prematurely at the end of the year, I guessed he would be back immediately in other employment – although his new securities firm turns out to be some way further down the ranking list than his old one.

"Such bad timing," he muttered. "It was infuriating having to close out positions before Christmas. But for that, I can promise you, Chemical Bank would have lost a hell of a lot more than $70m on Mexican peso forward contracts."

His temporary job switch from the sell side to the buy side, Steve explained, had given him new insights into the management of risk. "Basically, a lot of investors have got involved in areas where they can't handle the risks or have over-leveraged them. This is creating enormous opportunities on the risk-taking side of the market, but only for a declining number of surviving players."

Certainly, I observed, the focus was on US mutual funds where billions have gone into foreign investments – especially emerging markets – which are unfamiliar to American retail investors. Now, they had lost a packet in Hong Kong and Mexico, two of their most important investment areas.

After all, the Hong Kong stock market index had tumbled, in dollars, by 20 per cent in three months and the Mexican market by more like 50 per cent. In the same period, boring Wall Street had *risen* fractionally.

"Mug money is about to be taken to the cleaners," said Steve. "The Japanese used to be the dummies, swallowing up US Treasury bonds, Rockefeller Centre real estate and European equities at the wrong prices. Now, they have decided to stay at home and let someone else play the fall guy. The Americans have volunteered."

It was interesting, I said, that so much US money had actually gone into the Tokyo stock market, especially in the early part of last year. It had seemed a good idea while the market was rising temporarily and the dollar was weak. But it had been a loser's game for at least six months. Perhaps the Americans would realise that they were pouring money into a bottomless pit in the Japanese financial system, just as the Japanese had been trying to fill a black hole in the US Treasury's budget in the 1980s.

"And the importance of Latin America can't be over-emphasised," said Steve. "Too many US investors have swallowed the line that this time it is different, although there is 200 years of history that tells another story over and over again. The peso would not be devalued, because New York investors had been promised that by smooth, Harvard-educated Mexican officials."

> 'The Japanese used to be the dummies. Now, they've decided to stay home and let someone else be the fall guy'

Delicately, I shifted the subject around to the short-lived hedge fund. Why would Steve and his team not be dining at the promised contrarians' feast?

"Frankly, we needed more time," said Steve. "But when the backers saw 40 per cent of their capital gone, they wanted out.

"Remember that all the macro funds – the ones, like ours, making top-down macro-economic guesses – had a bad time in 1994 because the markets didn't trend but were choppy. You had to be precise about when you got out as well as when you got in."

At least, I remarked, the Maximo Macro fund had started out too late to get involved in the worst of the yield curve strategies which caused havoc in the first half of the year after short-term dollar interest rates began to rise.

"Maybe," said Steve. "But we managed to commit ourselves to some plays on spreads in mortgage-backed securities which cost us plenty. Well, how could we know that liquidity would disappear?

"Towards the end, we tried *all* the games in town, like shorting the high beta Wall Street stocks owned by the big US mutual funds, expecting that net redemptions would turn them into forced sellers. But it never quite happened, even though the Fidelity Magellan dividend foul-up raised our hopes for a while.

"In fact, some of the mutual fund managers were able to buy more of the stocks they knew we had shorted, which got expensive for us. Without a retail investor panic," Steve added, "we were sunk."

So, Steve never got his 20 per cent of the fund's profits. But, I remarked unkindly, at least he did not have to stump up 20 per cent of the losses.

"The punters had their eyes open," said Steve. "It was a year to be in cash, but investors in a hedge fund don't like to discover they are in some kind of Netherlands Antilles savings and loan club. They want action, in spades. Risk with leverage.

"But it's the old story. You can only start a new fund at the wrong time, at the top of the cycle. An established hedge fund, sitting on big profits and a decent reputation, can afford to refrigerate its risks for a while, but we had a blank screen in the hedge fund performance databases and had to get a few fields filled in with come-and-get-me numbers within two or three quarters. "Put it this way: we needed to be lucky – and we weren't."

It seemed, I said, that you could not hedge your risks if you were running a hedge fund. There was an irony there. But I looked forward to seeing him on the global seminar circuit again. I had missed his slide shows.

"As for the Paddington Olympic," I added, "go half a mile up Edgware Road, turn left at the Dog and Duck pub and you can't miss it – although you might wish you had . . ."

هكذا من الأصل

WORLD STOCK MARKETS

AMERICA

Jobs data leave Dow on the upgrade

Wall Street

US shares advanced yesterday morning following a rise in bond prices, and on a firmer dollar, *writes Lisa Bransten in New York.*

By 1 pm, the Dow Jones Industrial Average had gained 28.26 at 3,879.18. The more broadly-based Standard & Poor's 500 was up 1.62 at 461.96 and the American Stock Exchange composite rose 0.11 to 433.87. The Nasdaq composite, meanwhile, was up 4.52 at 750.18. NYSE trading volume was 163m shares.

The bond market initially fell after the labour department put year-end unemployment in 1994 at 5.4 per cent – its lowest level in four years – against forecasts of 5.6 per cent. Non-farm payrolls grew by 256,000 in December, slightly below expectations.

In spite of the robust employment growth, average hourly earnings remained below 3 per cent for the year.

Both stock and bond markets may have received a boost from renewed speculation that the Fed would raise rates in the first quarter of this year. Prevailing sentiment on Wall Street held that there would be another increase, and many hoped that the strong economic figures might cause the central bank to make the decisive and final tightening of the current cycle.

Cyclicals advanced on the employment data and Morgan Stanley's sector index gained more than 1 per cent. International Paper rose $2¼ at $77⅝, Caterpillar by $1⅞ to $57, Hewlett-Packard $1½ to $100⅞ and Goodyear Tire & Rubber $⅝ to $35⅞.

American Depositary Shares of Mexican companies were mostly down as the market reacted to Mexico's plan to stabilise its financial markets. Telmex lost $⅛ at $37⅞, Vitro dropped $¼ at $12, Grupo Televisa lost $⅝ at $27¾ and Coca-Cola Femsa fell $¼ at $21½.

The Nasdaq got a boost from rising high-tech issues. Apple Computer jumped $3⅞ at $42⅞ on rumours that three technology companies were discussing a takeover bid for the personal computer manufacturer. Microsoft rose $1¼ at $60⅞ and Intel was unchanged at $7⅝.

Merrill Lynch gained $¼ at $35⅞ after announcing that it would lay off as many as 500 people worldwide.

Canada

Toronto eased in early dealings on softness in US bonds, but recovered its ground later with the TSE 300 composite index up 4.00 to 4,164.43 in midsession.

The gold and silver index was relatively subdued, losing 28.38, or 0.3 per cent at 8,930.49, but transportation stocks picked up on buying of Air Canada shares which took the sector index up by 88.18, or 1.8 per cent to 4,958.71 by 1300 local time.

Mexico

Equities reacted to a further fall in the peso against the dollar, while further negative pressure was created by a rise in local interest rates.

The IPC index was off 4.78 at 2,268.32 by midsession, after a low of 2,245, while investors awaited details of the meeting between Mr Guillermo Ortiz, the finance minister, and the International Monetary Fund in Washington later yesterday. The Mexican government was hoping to secure a standby loan from the IMF.

Confirmation late on Thursday that the government would sell parts of the state electricity monopoly was unable to lift sentiment, although the move was welcomed, especially by foreign investors.

Smith Barney, the US broker, yesterday downgraded Telmex to neutral from outperform. The local shares were up 0.12 pesos at 10.38 pesos.

Brazil

São Paulo lost early gains of 1 per cent in the Bovespa index as many investors moved in to secure profits.

The index was off 999 or 2.5 per cent at 39,368 by 1 pm, while the market was also awaiting the outcome of the first cabinet meeting of the presidency of Mr Fernando Henrique Cardoso.

There were also unconfirmed reports that the central bank could ease the tight capital reserve requirements placed on banks next week.

Malaysia bemoans the retail buying bubble

Kieran Cooke on a Kuala Lumpur conundrum

Investors in the Kuala Lumpur stock market are a little puzzled. Malaysia has one of the world's fastest growing economies. Gross domestic product was forecast to rise by around 10 per cent in 1994, with an 8.3 per cent growth rate chalked in for 1995. Officials say that inflation is under control at less than 4 per cent. A late October budget promised tax cuts and forecast more good times ahead.

Yet the market is unimpressed. Kuala Lumpur was one of the worst performing markets of 1994, falling by 23.2 per cent in local currency terms against a 2.1 per cent decline in the FT-Actuaries World Index.

A year ago the Kuala Lumpur composite index was over the 1,300 mark and daily turnover was between M$3bn ($1.2bn) and M$4bn, a bubble reflecting the enormous amount of retail and speculative, as distinct from institutional, investment in the market, says Mr David Bates of Asia Equity, the brokers.

Late last month, the market rallied slightly from a closing low of 895.77 earlier in December to 994.34 just before Christmas, but since then it has been drifting in low volume. Last night's close, 955.43, was 1.1 per cent down on the day and 1.6 per cent off on the week.

Recently, average daily turnover has been well under M$1bn. Yesterday, it was M$342m. The slowdown, says Mr Bates, has been far worse than in most of its neighbours, reflecting the speculative, rather than institutional, base of its previous volume peaks.

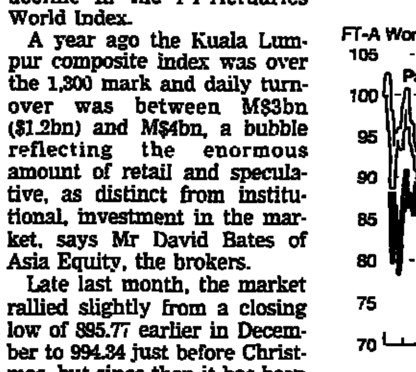
General elections are expected to be held within the next three months. The government of Dr Mahathir Mohamad, the prime minister, is anxious that adverse market sentiment does not spill over into the political arena. Mr Anwar Ibrahim, the finance minister, has said that investors should not be unduly worried and warned against getting caught up in a "frenzy of evil, unfounded rumours."

The rise in US interest rates and decline in international bond markets are seen as contributing to Kuala Lumpur's lacklustre performance. Investors from the developed countries have also shown that they are exercising more caution in dealing with emerging, highly volatile markets like Malaysia.

There is no currency peg with the US dollar and the Malaysian dollar appreciated slightly against it. Early in the year, hedge funds were arbitraging US dollar paper into the Malaysian dollar to get higher interest rates; when the authorities put a stop to that, the funds were looking for relative currency stability.

The swing out of emerging market investment has also been a key factor. According to Baring Securities, the flow of funds into the emerging equity markets has declined sharply: from $62bn in 1993 to $40bn in 1994; and since Latin America was ahead on the year until Mexico came unstuck in mid December, the drop in funds going into the Pacific Rim markets, such as Malaysia, has been particularly steep: from $40bn in 1993 to $15bn in 1994.

FT-A World Indices (rebased)



Source: FT Graphite

Stock exchange officials point out that there is still plenty of liquidity in the local market and that stock prices do not reflect the continued generally strong earnings performance of Malaysian companies. Asia Equity, on a representative selection of 70 stocks, is looking for an 12 per cent earnings per share growth for 1994, and 15 per cent for the current year.

The price-earnings ratio on the Malaysian market has dipped to 26, from 42 at the start of 1994, and is now well below Taiwan's 41.5.

At the corporate level, below average growth has been penalised. Tenaga Nasional, Malaysia's partially privatised electricity utility and the biggest company listed on the Kuala Lumpur exchange, has been trading around M$10, compared to a year high of M$20.70. The company produced a 7 per cent rise in pre-tax profits, to M$1.96bn, for the year to August 31.

About 70 per cent of Kuala Lumpur's daily turnover comes from the retail sector. The authorities are seeking ways to bring about more stable market conditions. They see an urgent need for greater involvement by domestic institutions. Ways are being investigated to develop the unit trust sector, possibly by encouraging foreigners with expertise to set up shop in Malaysia.

There are also plans to allow the use of some of the many millions in the employees provident fund (epf), a compulsory savings scheme, in order to give greater breadth and depth to the market.

"We cannot expect foreigners to be the driving force for ever", says Mr Anwar.

But other factors are influencing market behaviour. The play on the US and Malyasian dollars caused a massive inflow of equity and capital investment funds last year, serious excess liquidity problems, and strong inflationary pressures. There was also a large inflow of funds from neighbouring Singapore to take advantage of higher Malaysian interest rates.

Bank Negara, Malaysia's central bank, has been struggling to keep interest rates down. But international market pressures plus the need to curtail a higher than expected rise in consumer spending has meant that rates are creeping up again. Increasing numbers of investors, weary of the ups – and more serious downs – of the market are playing safe and putting their money in the bank.

EUROPE

Banks feature as Zurich reverses early loss

Second thoughts about the US jobs figures, less frightening than they originally seemed, were reflected in US bond and futures markets, and then by their European counterparts, *writes Our Markets Staff.* Several bourses were closed for the Epiphany holiday.

ZURICH reversed early losses as the dollar firmed late in the day, prompting foreign demand for some industrials. The SMI index rose 9.2 to 2,622.3, little changed on the week.

Banks remained prominent. SBC rose another SFr10 to SFr386 as rumours continued to drive trading, and as the bank won further recommendations from analysts. Bank Sal Oppenheim in Zurich, which raised its recommendation to a buy, forecast a 51 per cent rise in profit for 1995 and said that the bearers, on a p/e of 10.2, were cheap compared with an estimated market p/e of 13.1.

UBS bearers recouped SFr5 to SFr1,028 but analysts commented that the market had been unimpressed with its letter to shareholders, confirming an earlier forecast of lower 1994 results but anticipating an improvement for 1995.

BK Vision, locked in battle with UBS over the bank's plans for a unified share, fell SFr20 to SFr1,170; BK questioned a demand from UBS for about SFr150m damages over the preliminary injunction which delayed the introduction of a single share.

Swissair lost SFr25 to SFr745 as it declined comment on a local newspaper report that the airline would post a SFr50m loss for 1994.

FRANKFURT incorporated most of Thursday's post bourse *losses during the session,* the Dax index falling 8.56 to 2,053.92; thereafter, it fell below 2,050 on initial reaction to the US jobs figures before recovering to an Ibis indicated 2,058.20 at the end of the afternoon, on short covering and a late upturn in bunds and futures.

That left the key index down 1.9 per cent on the week, but technical analysts suggested that the post-bourse move was a brief interlude, and the Dax future and the Dax itself could fall again next week.

Turnover fell from DM5.2bn to DM3.9bn. Chemicals offered little immediate reaction to a Goldman Sachs recommendation of German chemical and pharmaceutical majors.

However, the reinsurer, Hannover Rueck, made some *impact in response to recent* market talk of problems in its derivatives trading business, saying that its earnings position was in line with the forecast it gave when it went public last November. The shares recovered DM2 to DM68.50 against an issue price of DM75.

PARIS closed with a gain in the CAC-40 index of 14.87 to 1,886.40, barely changed on the week.

Carrefour, the food retailer, suffered a further fall, losing FFr41 to FFr2,175 in spite of better than expected sales figures released on Thursday.

Mr Charles Allen, European retail analyst at Merrill Lynch, suggested that a contributing factor to the downturn might have been worries about the exposure to Argentina, which accounts for some 10 per cent of group profits. Argentina has been affected during the past couple of weeks as a result of the economic and currency crisis in Mexico.

AMSTERDAM was modestly stronger as the AEX index gained 0.49 to 415.17, little changed on the week.

Philips rose 40 cents to Fl 52.30 in reaction to reports, *flatly denied by the electronics* company, that it might make a joint bid for Apple of the US. The Dutch group's shares gained nearly 27 per cent during 1994, and many analysts expected the shares to outperform the market during the first half of 1995.

Among second line stocks Cap Volmac, the technology group majority owned by Cap Gemini Sogeti of France, rose 80 cents or 3 per cent to Fl 24.50 on recommendations from domestic brokers who believed that there could be a revival in the sector this year.

WARSAW extended Wednes*day's correction, briefly inter*rupted on Thursday, as the Wig index fell 343.0 or 4.4 per cent to 7,538.9, fractionally higher on the week.

Written and edited by William Cochrane, John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Jan 6							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	
FT-SE Eurotrack 100	1324.02	1324.26	1323.85	1324.30	1325.09	1324.40	1325.73	1327.39
FT-SE Eurotrack 200	1375.09	1376.49	1378.91	1378.48	1380.19	1378.17	1380.46	1384.14

	Jan 5	Jan 4	Jan 3	Dec 30	Dec 29
FT-SE Eurotrack 100	1328.95	1337.95	1332.56	1333.22	1327.46
FT-SE Eurotrack 200	1379.68	1390.66	1385.41	1390.02	1384.97

Base 1000 (26/10/90); High/day: 100 - 1328.40; 200 - 1384.14 Low/day: 100 - 1323.47 200 - 1373.50 † Partial

SOUTH AFRICA

Gold shares pared early gains in Johannesburg while industrials overcame a sluggish morning session to post gains as London shares rose. The *overall index ended 16.5 better* at 5,768.4, industrials were 17.2 firmer at 6,968.6 and golds gained 9.5 up at 1,885.4 – still almost 7 per cent down on the week.

ASIA PACIFIC

Hang Seng's 3% loss makes 6.2% on week

Tokyo

Selling by individuals and cor*porations depressed share* prices and the Nikkei index posted its fourth consecutive decline, falling 96.65 to 19,519.46, after moving between 19,417.21 and 19,586.49. Shares lost ground as individualssettled six month margin positions, while companies liquidated equity holdings in small lots.

Volume was 169m shares against 151m. The Topix index of all first section stocks fell 11.77 to 1,535.64, while the Nikkei 300 declined 1.99 to 283.06. Losers outnumbered gainers *by 838 to 194 with 137 issues* unchanged.

In London, the ISE/Nikkei 50 index fell 0.09 to 1,276.83.

Oil refiners lost ground on liquidation of margin-linked positions: Mitsubishi Oil fell Y22 to Y922 and Japan Energy Y2 to Y383.

Individual investors sold Konica, the photographic film manufacturer, which retreated Y9 to Y825. But Clarion, a car audio equipment maker, gained Y16 to Y518, and Pacific Metals, a leading ferronickel *maker, added Y3 to Y542.*

Bearishness over the outlook for turnover for the coming year continued to depress brokers: Nomura Securities declined Y40 to Y2,000 and Nikko Securities Y10 to Y715.

Hitachi, the day's most active issue, rose Y5 to Y995, but other high-technology stocks were lower or unchanged.

In Osaka, the OSE average fell 128.15 to 21,374.43 in volume of 15m shares.

Roundup

The region declined yesterday amid international and domestic worries.

HONG KONG was driven 3 per cent down to a 15 month low by news that major developers, including Cheung Kong, were cutting apartment prices aggressively.

US and European institutional selling left the Hang Seng index down 235.13 lower at 7,683.25, taking the week's loss to 6.2 per cent.

Analysts said that turnover, *HK$2.8bn compared with* Thursday's HK$2bn, suggested that selling pressure was growing while the weakening of the local dollar against the US currency could be a reflection of foreign funds dumping Hong Kong stocks. Fears over interest rate rises and a Sino-US trade war also added to the negative sentiment.

Cheung Kong fell 95 cents to HK$29.25, Henderson Land $1.60 to $34.20 and Sun Hung Kai Properties HK$2 to HK$41.30, taking the property sector sub-index down 496.62 or *3.8 per cent to* 12,498.11.

SEOUL continued lower for the fourth straight day as concerns about a liquidity squeeze continued to take their toll. The composite stock index fell 0.74 to 975.32, taking its losses this week to 5.1 per cent.

BOMBAY fell 1.8 per cent to a nine month low amid liquidity problems triggered by sellers fearing a political crisis ahead and by those mobilising funds for the large number of public issues in the market.

The BSE-30 share index fell *62.11, or 1.62 per cent, to* 1,799.91.

SINGAPORE saw European and Japanese selling which left the Straits Times Industrials index 22.31 lower at 2,209.37, down 1.4 per cent on the week.

MANILA was lifted by the successful completion of a major land auction. The composite index rose 26.85 to 2,756.220, for a week's loss of 1 per cent. All sub-sectors posted gains except oil which slipped marginally.

TAIPEI fell for the second consecutive session on heavy selling by institutions. The weighted index shed 132.18 to 6,919.31.

Industrials accounted for most of the day's falls: Hualon and Shinkong Synthetic Fibres both fell by the daily 7 per cent limit to T$37.40 and T$42.80.

SYDNEY fell for the fifth consecutive day, the All Ordinaries index losing 1.8, and 2.3 per cent on the week at 1,367.7.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY JANUARY 5 1995 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY JANUARY 4 1995 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (68)	166.08	-0.8	157.49	106.04	134.14	143.91	-0.9	4.00	167.46	158.90	107.25	135.73	145.17	189.15	161.21	170.94
Austria (16)	180.68	0.1	171.33	115.36	145.92	145.98	-0.1	1.11	180.56	171.33	115.64	146.35	146.18	198.89	167.46	187.20
Belgium (35)	166.52	0.0	157.90	106.32	134.49	131.29	-0.3	4.20	166.55	158.03	106.66	134.99	131.68	177.04	160.76	163.91
Brazil (28)	152.22	0.9	144.35	97.19	122.94	235.76	0.6	0.98	150.81	143.10	96.58	122.23	234.29	-	-	-
Canada (103)	127.91	0.3	121.29	81.66	103.30	129.85	0.1	2.66	127.46	120.94	81.63	103.31	129.70	145.31	120.54	139.61
Denmark (33)	255.16	0.0	241.96	162.91	206.08	211.78	-0.4	1.40	255.17	242.12	163.42	206.82	212.66	275.79	236.81	256.60
Finland (24)	188.82	0.1	179.05	120.55	152.50	188.55	0.0	0.74	188.71	179.06	120.86	152.95	188.49	201.41	130.66	130.66
France (102)	162.02	-1.0	153.64	103.44	130.86	136.12	-1.4	3.15	163.67	155.30	104.82	132.65	138.01	185.37	159.34	175.44
Germany (58)	140.15	-0.1	132.90	89.48	113.19	113.19	-0.4	1.84	140.23	133.06	89.81	113.66	113.66	150.40	128.37	138.56
Hong Kong (56)	315.84	0.5	299.31	201.53	254.93	313.86	0.5	3.86	314.24	298.17	201.25	254.70	312.29	505.51	305.99	505.51
Ireland (16)	210.07	1.3	199.20	134.13	169.67	191.51	1.2	3.33	207.47	196.86	132.87	168.16	189.28	216.60	177.56	193.46
Italy (59)	75.86	-0.6	71.94	48.44	61.27	91.91	-0.9	1.72	76.35	72.45	48.90	61.89	92.77	97.78	65.87	67.46
Japan (484)	153.91	-0.1	145.95	98.27	124.31	98.27	-0.4	0.77	154.00	146.12	98.62	124.82	98.62	170.10	130.60	130.80
Malaysia (97)	472.34	0.4	447.90	301.57	381.49	463.88	0.3	1.82	470.55	446.48	301.35	381.39	462.57	621.63	430.71	621.63
Mexico (18)	1232.34	2.9	1168.58	786.80	995.29	7343.20	0.6	1.39	1197.98	1136.70	767.21	970.96	7302.16	2647.08	1197.98	2341.89
Netherland (19)	215.12	-0.5	203.99	137.35	173.74	170.95	-0.8	3.38	216.26	205.20	138.50	175.28	172.42	223.30	191.25	201.47
New Zealand (14)	68.74	-0.1	68.14	44.53	56.33	57.97	-0.2	5.05	69.76	66.22	44.69	56.56	58.11	77.59	62.05	68.41
Norway (23)	210.11	-0.1	199.24	134.15	169.69	183.24	-0.5	1.71	210.41	199.65	134.75	170.54	184.29	214.65	177.53	186.39
Singapore (44)	375.94	0.4	356.49	240.03	303.63	251.72	0.3	1.70	374.55	355.39	239.87	303.58	251.05	401.38	294.66	378.92
South Africa (59)	331.14	-0.6	314.01	211.42	267.44	293.13	-0.5	2.26	333.19	316.15	213.38	270.05	294.58	342.00	205.55	276.14
Spain (38)	129.26	-2.1	122.57	82.53	104.40	130.10	-1.8	4.45	132.00	125.24	84.53	106.98	132.52	155.79	129.26	137.79
Sweden (48)	237.76	0.5	225.47	151.81	192.03	261.65	0.3	1.49	236.60	224.50	151.52	191.77	260.82	242.81	196.70	203.72
Switzerland (47)	164.81	0.1	156.28	105.22	133.11	133.39	-0.6	1.83	164.66	156.24	105.45	133.46	134.14	176.56	149.91	163.32
Thailand (46)	158.98	0.9	150.75	101.50	128.40	155.04	0.9	2.48	157.56	149.50	100.90	127.70	153.67	-	-	-
United Kingdom (205)	192.72	-0.5	182.75	123.05	155.65	182.75	-0.8	4.21	193.71	183.80	124.06	157.01	183.80	214.96	181.11	204.35
USA (513)	188.41	-0.1	178.66	120.29	152.17	188.41	-0.1	2.94	188.52	178.88	120.73	152.80	188.52	196.04	178.95	190.17
Americas (682)	174.19	0.0	165.18	111.21	140.68	146.00	0.0	2.89	174.18	165.27	111.55	141.17	146.06	-	-	-
Europe (723)	167.57	-0.4	158.90	106.99	135.34	149.63	-0.7	3.12	168.32	159.71	107.80	136.42	150.65	178.58	160.59	169.72
Nordic (128)	229.14	0.3	217.28	146.30	185.06	215.22	0.1	1.36	228.49	216.80	146.33	185.19	215.06	233.91	197.28	197.28
Pacific Basin (909)	161.06	0.0	152.73	102.83	130.08	106.96	-0.3	1.14	161.12	152.88	103.19	130.59	107.29	176.86	145.89	146.58
Euro-Pacific (1632)	163.68	-0.2	155.21	104.50	132.19	123.88	-0.5	1.98	164.02	155.63	105.04	132.94	124.45	175.14	155.32	156.06
North America (616)	184.66	0.0	175.10	117.90	149.14	184.38	-0.1	2.93	184.74	175.29	118.31	149.73	184.48	192.73	175.67	187.02
Europe Ex. UK (518)	150.34	-0.4	142.56	95.99	121.42	129.83	-0.7	2.49	150.96	143.23	96.68	122.35	130.79	158.12	144.12	147.99
Pacific Ex. Japan (325)	233.01	0.1	220.95	148.77	188.20	204.47	0.0	3.26	232.86	220.96	149.13	188.74	204.41	296.21	224.17	296.21
World Ex. US (1740)	164.60	-0.2	156.09	105.09	132.94	127.32	-0.4	1.99	164.90	156.46	105.60	133.65	127.87	176.65	157.61	158.42
World Ex. UK (2048)	169.38	-0.1	160.61	108.14	136.80	142.35	-0.3	2.13	169.54	160.87	108.58	137.41	142.75	178.59	164.27	164.56
World Ex. Japan (1769)	182.69	-0.2	173.24	116.64	147.55	174.09	-0.3	2.99	183.01	173.64	117.20	148.33	174.58	195.20	178.34	189.08
The World Index (2253)	171.44	-0.1	162.57	109.46	138.46	146.03	-0.3	2.33	171.68	162.89	109.94	139.14	146.48	180.60	166.19	168.01

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Please note: Following the recent lifting of foreign ownership restrictions in Norway, a number of changes to the FTA-WI Norway Index will take place with effect 13/1/95. Norwegian "A" shares have been merged with "A Free" shares to form a single "A" class available to all investors. The entire number of merged "A" shares outstanding will be included in the index for the following stocks: Aker A, Elkem A, Hafslund Nycomed A, Kvaerner A, Norske Skogindustrier A, Orkla A and Saga Petroleum A. The share fraction will also change for the following stock: Norske Hydro (0.43 to 0.494). A comprehensive market review for Norway is on the agenda for the next policy committee meeting. Constituent change 6/1/95: Name change: Commerce Clearing House to CCH Inc. Class "A". Latest prices were unavailable for this edition.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Apr	Jul	Puts Jan	Apr	Jul
Allied Domecq	500	42	54½	63	–	5½	10½
(*541)	550	4	22	32½	12½	22½	30
Argyll	240	17	25	29½	½	4	9½
(*256)	260	3	13½	19	7½	12	19½
ASDA	60	7	8½	10½	–	1	3
(*66)	70	1	3½	5	4½	6	8
Brit Airways	360	24	38	45½	1	9	17
(*382)	390	4	21	29½	11½	22	31
Smkl Bchm A	460	11½	27½	37	5½	20½	27
(*465)	500	½	11½	20	35	44½	50
Boots	460	37½	50	56½	–	5½	12
(*496)	500	5	23½	31½	8½	19½	29
BP	420	13½	27	36½	3	11½	19
(*431)	460	½	9½	20	29	35	41
British Steel	140	12½	17½	21	–	3	5
(*152)	160	1	6½	10½	8½	12	14½
Bass	500	30½	47	55½	1	10	17½
(*528)	550	3	19	29	22½	33	41½
Cable & Wire	360	19	33½	42	1½	11	18
(*379)	390	2½	17½	27	15½	25½	33
Courtaulds	420	28½	42	48½	–	9½	17
(*447)	460	3½	19	28	14½	26½	37
Comm Union	493	13½	25½	–	4	24½	–
(*503)	543	½	8	–	40	60	–
ICI	750	12	32	47½	10	34½	44½
(*752)	800	½	12½	27½	48	69	78½
Kingfisher	420	30½	45	49	1	9½	17
(*448)	460	4½	21½	27½	14½	26½	36½
Land Secur	550	38½	49½	57½	–	6	13½
(*585)	600	2½	19	27½	15½	24½	38
Marks & S	390	12	23½	32	2½	10½	16½
(*398)	420	1	10	17½	22½	26½	32½
NatWest	460	38	47½	56	½	13	18
(*496)	500	8	22½	34	10	32	37
Sainsbury	390	27	40	46½	½	6½	14½
(*416)	420	5	21½	28½	8½	18½	27½
Shell Trans.	650	46	55½	61½	–	9	11½
(*694)	700	6½	21½	32	10	30½	33
Storehouse	200	18½	24	28½	–	3½	6½
(*218)	220	3	11	16½	5½	11	15
Trafalgar	70	4½	8½	10½	1	4	5
(*73)	80	½	4	6	7	9½	9½
Unilever	1150	30	51½	69	8½	37	48½
(*1161)	1200	9½	28	45½	40	67	77
Zeneca	850	25½	47½	62	3½	29½	39
(*869)	900	3	22½	38½	32	58	67
Option		Feb	May	Aug	Feb	May	Aug
Grand Met	390	17½	29½	36½	9½	16	22½
(*405)	420	5	16	22½	28	33	38½
Ladbroke	160	11½	16	21½	3½	9	11
(*167)	180	2½	7½	12½	14½	20½	22½
Utd Biscuits	300	27½	32½	36½	1½	9½	12½
(*324)	330	8	15	21	12	24½	27½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Fisons	110	10½	14	17½	7	11	12
(*111)	120	6½	10	13	13	17	17½
Option		Feb	May	Aug	Feb	May	Aug
Brit Aero	409	35	47	–	6	18½	–
(*435)	448	13	28	–	23	38	–
BAT Inds	420	35	43½	48	3	14	22
(*449)	460	10	21½	27½	18½	35	43
BTR	300	11	17	24½	7½	17½	20½
(*301)	330	1½	6½	13	29	37½	40
Brit Telecom	360	30½	40½	48	1½	5	10½
(*387)	390	9	21½	29½	10½	15½	23
Cadbury Sch	420	21½	28½	36	5½	16½	18½
(*433)	460	4½	11	18	28½	41	42½
Eastern Elec	750	33½	59	74½	18	33½	48
(*771)	800	11	35½	50	47	60½	75½
Guinness	420	33½	40½	45½	1½	9	12
(*449)	460	8	16½	25	15½	27½	31
GEC	260	20½	27½	32	1½	4	8
(*277)	280	7½	15½	20	8	11½	17½

Option		Calls Feb	May	Aug	Puts Feb	May	Aug
Hanson	240	8½	14	18	4½	10	14
(*243)	260	1½	6	8½	17½	22	25½
Lasmo	140	7½	13	16½	3½	7½	8½
(*143)	160	1	4½	8	17	19½	20½
Lucas Inds	180	20½	25	30½	1½	5	8
(*198)	200	7½	13½	19½	8	13½	16½
P & O	550	41	50	59½	4½	19	26½
(*582)	600	11½	28½	35	25	45	53
Pilkington	180	7½	12½	16½	5	7	10½
(*162)	180	1	4½	8	18½	19½	22½
Prudential	300	15½	21	26½	5	15	18½
(*308)	330	3	8	13½	23	34	37
RTZ	800	24½	37½	53½	17½	36	43
(*803)	850	6	17½	32	50	68½	73½
Redland	460	19½	31	37	10½	29	33½
(*467)	500	4½	14½	20½	35½	56	59
Royal Insce	260	20½	26	30½	4½	12½	15
(*274)	280	9	16½	20½	13	23	25
Tesco	240	11	17½	20½	5½	10½	15½
(*245)	260	3	8	12	17½	22½	27
Vodafone	200	9	16	20½	5½	10	13½
(*202)	217	3	–	–	16½	–	–
Williams	300	24½	31	35½	2	9	10½
(*321)	330	6	14	19	14	24	26
Option		Jan	Apr	Jul	Jan	Apr	Jul
BAA	475	14	30	–	3	12½	–
(*485)	500	2½	17½	24½	16½	24	30½
Thames Wtr	460	24	39	48½	1	10	20½
(*481)	500	2½	17½	27½	20	29	41½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	420	30	34½	41½	12	18½	24
(*438)	460	9½	16½	23	36	41½	46
Amstrad	125	8½	13	–	5½	8	–
(*129)	150	½	4	–	23	24½	–
Barclays	600	32½	43	53	22	32	40
(*609)	650	11	22	31½	54½	62½	69
Blue Circle	280	15½	21½	27	11	19½	24
(*282)	300	7½	13	18½	22½	32	36½
British Gas	300	21½	28	31	5½	12	15
(*313)	330	6	12½	16½	19½	28	31
Dixons	180	21½	27½	30	3½	7	11
(*198)	200	9½	16	19½	11½	15½	20½
Hillsdown	180	10	13½	16	5½	12	14½
(*182)	200	2½	6	8	18½	25½	27½
Lonrho	140	16½	21½	22½	3	6	8½
(*153)	160	5	11	13	12	15½	18½
Natl Power	460	34½	46½	52	9	19	24½
(*479)	500	13½	25½	32½	28	39½	45
Scot Power	330	17½	30	34½	14½	20½	28½
(*336)	360	6	17	22	32½	38	44
Sears	100	9½	12	13	2	4½	5½
(*106)	110	4	7	8	6½	10	10½
Forte	240	12½	18	22	8	14½	17
(*241)	260	4½	9½	14	20½	26½	29
Tarmac	110	13	16½	19½	3½	6	7½
(*119)	120	7	11	14½	7½	10½	12½
Thorn EMI	1000	54½	84	91	15	26½	42
(*1028)	1050	26	52½	62	37½	49	66½
TSB	220	21	25	30	6	9	12
(*237)	240	9	14½	16½	15	18½	22
Tomkins	220	10½	17½	20½	9	13	17½
(*221)	240	4	8½	12½	22½	25½	29½
Wellcome	650	57	72½	86½	21	30½	40
(*687)	700	30	47	61	45	55	64½
Glaxo	650	26	47½	65½	4½	27	38½
(*670)	700	3	24½	41½	31½	54½	63
HSBC 75p shs	650	32	54½	64	2½	28½	37½
(*678)	700	4½	29	40	24½	56½	65
Reuters	420	32	42½	50	–	9½	13½
(*450)	460	5	18½	28	12	27	31½
Option		Feb	May	Aug	Feb	May	Aug
Rolls-Royce	160	14	18	21½	1½	6	8½
(*171)	180	3½	8	12	11	16½	19

* Underlying security price. Premiums shown are based on settlement prices.
January 6. Total contracts, 33,570 Calls: 14,749 Puts: 18,821

RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	33	6	31	97	98	85
Other Fixed Interest	0	0	14	2	4	50
Mineral Extraction	77	39	79	184	258	338
General Manufacturers	134	112	382	465	473	1,577
Consumer Goods	64	28	92	177	154	405
Services	97	58	336	339	303	1,322
Utilities	13	20	9	45	90	35
Financials	86	79	196	301	388	763
Investment Trusts	52	157	251	155	508	1,186
Others	44	37	33	180	170	147
Totals	600	536	1,425	1,925	2,446	5,908

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	December 19	Expiry	March 23
Last Dealings	January 6	Settlement	April 6

Calls: Burmah Castrol, CRP Leisure, Coal Invs, Dixons, Microvitec, Nurdin & Peacock, Proteus, Tullow Oil. Puts: CRP Leisure, Kunick, Saatchi & Saatchi.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994/95 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
100	F.P.	4.99	99	90½	Asset Man Inv	99	+1	-	-	-	-
-	F.P.	4,219.0	259	245½	BSkyB	246	+½	N-	-	-	46.3
-	F.P.	37.8	64	43	Brit Assets Gth	61½	-1½	-	-	-	-
-	F.P.	69.3	173	133	Clydeport	168		RN3.51	-	2.6	-
$10	F.P.	36.0	625	600	First Russian Fr	600	-18	-	-	-	-
100	F.P.	45.5	94	91	Fleming Nat Res	91	-1	-	-	-	-
100	F.P.	28.1	106	96	For & Col Emrg C	98	-½	-	-	-	-
500	F.P.	45.1	510	490	Gartmore Mkt Uts	508		-	-	-	-
-	F.P.	27.7	102	94	Hill Hire	102		N3.38	2.0	4.1	12.7
80	F.P.	10.9	83	83	Hydro Intl.	83		RN-	-	-	33.8
120	F.P.	25.6	123	123	Innovative Techs	123		N-	-	-	-
-	F.P.	218.9	92	80¼	Invest Capital Gth	88½		-	-	-	-
-	F.P.	92.8	39	36	Do Inc Annuity	37½		F5.3	-	17.7	-
100	F.P.	27.0	103	100	Kiln Capital	100		F4.0	-	5.0	-
100	F.P.	58.2	101	97	Leg & Gen Recvry	97	-1	-	-	-	-
53	F.P.	5.55	3½	3	MICE Group	3¼	+¼	bN0.1	3.2	3.7	10.4
100	F.P.	42.5	94	82	Matheson Lloyds	85		-	-	-	-
-	F.P.	24.8	130	100	Pentex Oil	124	-1	-	-	-	-
175	F.P.	34.7	210	203	RM	206		N4.8	3.1	2.9	13.3
-	F.P.	5.64	108	101	Residential Prop	103		-	-	-	-
120	F.P.	63.0	144	120	SeaPerfect	128		-	-	-	-
182	F.P.	1,416.5	188	167	TeleWest	167	-2	-	-	-	-
100	F.P.	17.8	102	102	Wellington Un.	102		-	-	-	-
-	F.P.	267.9	123	118	Woodchester Units	123		-	-	-	-

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994/95 High	Low	Stock	Closing price p	+or-
37	Nil	3/1	5pm	2pm	OMI	2pm	
440	Nil	22/2	54pm	48pm	Powell Duffryn	53pm	+2
10	Nil	9/1	½pm	½pm	Tomorrows Leis	½pm	
25	Nil	10/2	¾pm	¾pm	Trio	¾pm	
7½	Nil	3/2	1½pm	½pm	Verity	½pm	
80	Nil	9/2	15pm	4pm	Walker G'bank	7pm	

FINANCIAL TIMES EQUITY INDICES

	Jan 6	Jan 5	Jan 4	Jan 3	Dec 30	Yr ago	*High	*Low
Ordinary Share	2357.2	2331.8	2347.3	2363.7	2360.9	2617.4	2713.6	2240.6
Ord. div. yield	4.44	4.48	4.45	4.42	4.43	3.56	4.61	3.43
Earn. yld. % full	6.51	6.58	6.53	6.49	6.50	4.04	6.75	3.82
P/E ratio net	17.76	17.59	17.71	17.83	17.81	31.27	33.43	16.94
P/E ratio nil	17.20	17.04	17.15	17.27	17.25	28.93	30.60	16.67

*For 1994/5. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2329.4	2327.4	2329.8	2337.1	2345.0	2348.2	2345.0	2348.6	2357.3	2360.8	2324.5

	Jan 6	Jan 5	Jan 4	Jan 3	Dec 30	Yr ago
SEAQ bargains	19,073	17,098	16,902	14,990	11,661	41,496
Equity turnover (£m)†	-	1047.4	1033.0	751.5	588.6	2247.1
Equity bargains†	-	23,944	23,676	26,319	10,903	49,832
Shares traded (ml)†	-	454.8	450.6	372.3	222.5	939.0

†Excluding intra-market business and overseas turnover.

FT GOLD MINES INDEX

	Jan 5	% chg on day	Jan 4	Jan 3	Year ago	Gross div yield %	52 week High	Low
Gold Mines Index (34)	1830.26	-0.4	1836.90	1926.54	2367.40	2.39	2367.40	1782.02
■ Regional Indices								
Africa (16)	2990.39	-2.2	3056.11	3162.62	3424.86	4.66	3711.87	2304.45
Australasia (7)	2247.55	-3.9	2339.08	2415.37	2941.77	2.29	3013.89	2171.86
North America (11)	1424.22	+1.8	1399.54	1486.88	1978.58	0.92	2039.65	1399.54

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92. Predecessor Gold Mines Index: Jan 6: 234.2; day's change: -0.1 points; Year ago: 263.9 † Partial. Latest prices were unavailable for this edition.

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WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 5 / Sch)

		+/-	High	Low	Yld	P/E
AusAir	2,010	—	2,200	1,750	2.5	—
BkAust	880	—	1,270	780	0.9	—
CredPf	620	—	834	597	1.8	—
EA Gen	2,980	—	4,280	2,430	0.5	—
EVN	1,474	—	1,713	1,190	1.6	—
Lenzng	979	—	1,357	861	0.5	—
Mayr-M	628	—	744	536	—	—
OeMV	833	—	1,087	845	1.6	—
PerCm	915	—	1,050	895	2.2	—
RadexH	386	—	438	378	2.6	—
SteyrD	188	—	258	171	3.2	—
VA Tec	1,129	—	1,180	874	—	—
VeitMg	307	—	408	303	2.0	—
VbdBrA	616	—	791	546	2.6	—
VnlAir	469	—	600	430	1.7	—
Wienbg	3,805	—	4,340	3,471	1.0	—

NETHERLANDS (Jan 6 / Fls.)

		+/-	High	Low	Yld	P/E
ABNAmr	61.40	-.29	73.70	54	4.7	—
AEGON	112.90	+.30	113	90.20	3.3	—
Ahold	52	+.30	54	42.80	2.2	—
AKZO N	201.30	+.70	229	187.60	3.2	—
Bolsws	34.40	-.10	47.20	32.50	3.7	—
BoskDR	32.80	+.20	52	32.30	3.4	—
CSM	88	-.30	77.90	62.60	—	—
DSM	137	-.10	158.50	105.80	1.1	—
DsctPe	198	+.50	208	173.70	2.5	—
Elsevr	17.90	+.10	19.50	14.50	—	—
FokDpR	11.80	+.30	25	3.50	6.4	—
FAmvOR	73.30	+.10	88.40	65.50	4.4	—
Gamma	85	-.50	108.50	85	4.7	—
GBrDpR	46.80	-.10	58.80	44.10	2.8	—
Hagmyr	141.20	+1.20	157.50	123	—	—
Hanko	257.80	-1.40	266	208.60	1.4	—
HollBe	270.50	-.50	336.50	260	3.6	—
HgvDpR	76.50	-.10	83	48.50	5.8	—
HunDgl	79	+.50	83.50	68.50	2.2	—
IHCCal	44	—	46.70	34.70	2.7	—
INGDpR	82.70	-.40	94.70	72.10	0.2	—
IntMue	82.80	+.20	98.50	74.70	2.4	—
KLM	44.30	+.40	57.30	40.90	2.3	—
KNP BT	48.30	-.80	52.80	42.10	0.9	—
KPN	50.50	-.10	59.80	47.60	—	—
KPkDpR	49.70	+.80	57.20	43.30	3.0	—
Nedlyd	58	+.20	88.30	47.70	5.7	—
NijTenC	81.70	-.30	100.20	72	2.4	—
NutrDR	88.50	+1	92.40	65.75	—	—
OceGr	78	-.30	89.50	65.50	2.9	—
Philip	52.30	+.40	59.30	40	1.0	—
PolyGr	81	—	84.50	70.80	0.9	—
Robeco	110.10	-.80	131	108.50	3.2	—
Rodmco	48.80	—	58	48.30	6.4	—
Rolinc	111.60	-.70	135.40	111.10	2.9	—
Rorent	82.20	-.20	100.50	81.60	5.4	—
RDutch	188.30	+1	215.40	184.60	4.9	—
StorkN	44.80	-.80	50.90	40.30	1.8	—
UnilDp	202.70	+.40	238	178.40	2.9	—
VNU	182.30	+1.10	203	164.50	2.0	—
VmDDpR	45.80	+.40	56.50	44.10	2.2	—
WhlDpR	125.60	+.30	133.50	101.30	1.2	—

INDICES

	Jan 6	Jan 5	Jan 4	1994/5 High		1994/5 Low	
Argentina							
General (29/12/77)	(u)	15588.35	15414.40	25470.40	16/2/94	15313.31	27/12/94
Australia							
All Ordinaries(1/1/80)	1857.7	1869.5	1886.2	2340.60	3/2/94	1842.09	12/12/94
All Mining(1/1/80)	890.4	894.1	906.6	1136.10	3/2/94	879.10	12/12/94
Austria							
Credit Aktien(30/12/84)	(c)	391.07	392.05	460.66	2/2/94	378.84	25/10/94
Traded Index(2/1/91)	(c)	1046.36	1047.97	1222.25	1/2/94	1011.38	5/6/94
Belgium							
BEL20 (1/1/91)	1391.22	1392.93	1398.20	1542.85	9/2/94	1338.39	7/10/94
Brazil							
Bovespa (29/12/83)	(u)	40367.0	39679.0	55110.60	13/9/94	3800.90	3/1/94
Canada							
Metals Mints‡(1975)	(u)	4093.73	4094.60	4278.02	20/10/94	3298.08	20/4/94
Composite‡ (1975)	(u)	4160.25	4154.50	4609.90	23/3/94	3869.90	24/6/94
Portfolio§§ (4/1/83)	(u)	2016.00	2013.71	2182.68	1/2/94	1868.48	28/6/94
Chile							
IPGA Gen (31/12/80)	(u)	5498.8	5443.0	5754.40	21/11/94	3801.20	4/4/94
Denmark							
CopenhagenSE(3/1/83)	352.50	353.81	352.71	415.79	2/2/94	335.68	20/12/94
Finland							
HEX General(28/12/90)	(c)	1885.7	1885.3	1872.00	4/2/94	1601.10	3/1/94
France							
SBF 250 (31/12/90)	1249.39	1242.83	1258.62	1586.20	2/2/94	1227.86	25/10/94
CAC 40(31/12/87)	1886.40	1871.53	1901.79	2355.93	2/2/94	1824.42	25/10/94
Germany							
FAZ Aktien(31/12/58)	787.58	774.05	777.43	859.27	18/5/94	742.04	5/10/94
Commerzbank(1/12/53)	2193.2	2212.3	2223.3	2489.50	2/5/94	2116.30	5/10/94
DAX (30/12/87)‡	2053.92	2062.48	2072.26	2271.11	16/5/94	1980.59	7/10/94
Greece							
Athens SE(31/12/80)	(c)	884.77	886.22	1194.58	18/1/94	804.37	22/11/94
Hong Kong							
Hang Seng(31/7/64)	7683.25	7918.38	7887.01	12201.09	4/1/94	7683.25	6/1/95
India							
BSE Sens.(1979)	3766.62	3827.73	3886.80	4628.57	12/9/94	3494.00	5/1/94
Indonesia							
Jakarta Comp.(10/8/82)	481.22	477.82	474.49	612.89	5/1/94	447.04	13/12/94
Ireland							
ISEQ Overall(4/1/88)	1888.30	1879.32	1884.16	2082.16	20/1/94	1684.14	1/7/94
Italy							
Banca Comm Ital (1972)	(c)	644.65	642.97	617.17	10/5/94	581.64	13/12/94
MIB General (2/1/95)	(c)	1020.0	1017.0	1020.00	5/1/95	1000.00	2/1/95
Japan							
Nikkei 225 (16/5/49)	19519.46	19616.11	19684.04	21552.81	13/6/94	17369.74	4/1/94
Nikkei 300 (1/10/82)	283.06	285.05	286.16	311.71	13/6/94	268.22	4/1/94
Topix (4/1/68)	1535.64	1547.41	1553.40	1712.73	13/6/94	1445.97	4/1/94
2nd Section (4/1/68)	2112.25	2128.47	2130.68	2542.66	6/7/94	1873.33	4/1/94
Malaysia							
KLSE Comp.(4/4/86)	955.43	965.89	957.81	1314.46	5/1/94	885.77	12/12/94
Mexico							
IPC (Nov 1978)	(u)	2273.10	2269.67	2881.17	8/2/94	1957.33	20/4/94
Netherland							
CBS TtlRtnGen(End 83)	442.5	441.5	444.9	454.90	31/1/94	408.30	21/6/94
CBS All Shr (End 83)	277.8	277.0	279.1	294.80	31/1/94	257.90	21/6/94
New Zealand							
Cap. 40 (1/7/86)	1903.53	1901.43	1906.11	2439.64	3/2/94	1878.09	12/12/94
Norway							
Oslo SE Ind(2/1/83)	1119.20	1133.96	1139.63	1211.10	28/2/94	980.91	21/6/94
Philippines							
Manila Comp (2/1/85)	2756.22	2729.37	2771.97	3308.37	4/1/94	2507.33	9/3/94
Portugal							
BTA (1977)	2884.7	2879.4	2885.0	3226.60	18/2/94	2612.80	20/6/94
Singapore							
SES All-S'pore(2/4/75)	533.85	535.06	530.00	641.81	4/1/94	506.84	13/12/94
South Africa							
JSE Gold (28/9/78)	1870.6♥	1861.1	1888.9	2534.00	7/9/94	1749.00	14/2/94
JSE Ind. (28/9/78)	6968.6♥	6951.4	6961.8	6984.40	30/12/94	5446.00	19/1/94
South Korea							
KoreaCmpEx(4/1/80)**	975.32	976.06	977.01	1138.75	8/11/94	855.37	2/4/94
Spain							
Madrid SE (30/12/85)	(c)	283.73	288.26	358.31	31/1/94	280.33	29/12/94
Sweden							
AffarsvardIn Gen (1/2/37)	(c)	1513.80	1509.20	1603.90	31/1/94	1334.70	6/7/94
Switzerland							
Swiss Bk Ind (31/12/58)	1243.35	1241.32	1247.02	1423.34	31/1/94	1138.72	27/10/94
SBC General (1/4/87)	924.83	923.86	929.91	1083.29	31/1/94	876.57	27/10/94
Taiwan							
Weighted Pr.(30/6/66)**	6919.31	7051.49	(c)	7191.13	30/9/94	5194.63	19/3/94
Thailand							
Bangkok SET (30/4/75)	1383.10	1373.85	1360.83	1753.73	4/1/94	1198.59	4/4/94
Turkey							
Istanbul Comp.Jan 1986	26949.8	27162.84	26385.0	29145.10	2/12/94	12980.70	24/3/94
WORLD							
MS Capital Int (1/1/70)$	611.1*	613.7	614.6	649.90	2/11/94	581.60	4/4/94
CROSS-BORDER							
Eurotrack 100(26/10/90)	1327.39	1328.85	1337.95	1540.19	31/1/94	1289.48	5/10/94
Euro Top-100 (26/6/90)	1174.24	1169.61	1179.40	1311.01	2/2/94	1136.48	5/10/94
JCapelDsgts (31/12/88)	(u)	296.87	297.02	395.19	5/1/94	285.49	12/12/94
Barings Emerg.(7/1/92)	150.65	150.70	151.67	191.79	26/9/94	141.89	21/4/94

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	1882.0	1893.0	+14.0	1896.0	1875.0	17,981	22,492
Feb	1890.5	1902.5	+14.0	1893.0	1886.0	31	1,127
Mar	1899.5	1911.5	+14.0	1909.0	1896.0	178	19,419

Open interest figures for previous day

** Sat Dec 31: Taiwan Weighted Price (c); Korea Comp Ex (c). Base values of all indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 30 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ‡ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Jan 6 - 2056.20 +6.74.

US INDICES

Dow Jones	Jan 5	Jan 4	Jan 3	1994/5 High	1994/5 Low	Since compilation High	Since compilation Low
Industrials	3850.92	3857.65	3838.48	3978.36 (31/1/94)	3593.35 (4/4/94)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	93.86	93.94	93.83	105.61 (21/1/94)	93.58 (30/12/94)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1492.06	1484.14	1473.19	1862.29 (2/2/94)	1371.89 (13/12/94)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	183.30	184.22	183.03	227.06 (3/1/94)	173.94 (22/11/94)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3876.63 (3876.83) Low 3825.35 (3816.26) (Theoretical)
Day's High 3860.68 (3857.99) Low 3843.52 (3831.07) (Actual)

Standard and Poors	Jan 5	Jan 4	Jan 3	1994/5 High	1994/5 Low	Since compilation High	Since compilation Low
Composite ‡	460.34	460.71	459.11	482.00 (2/2/94)	438.92 (4/4/94)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials♥	547.24	547.70	546.28	583.18 (28/10/94)	510.05 (21/4/94)	583.18 (28/10/94)	3.62 (21/6/32)
Financial	42.03	42.05	41.64	46.94 (14/6/94)	39.87 (22/11/94)	48.40 (28/8/93)	8.64 (1/10/74)
NYSE Comp.	251.39	251.46	250.73	267.71 (2/2/94)	243.14 (4/4/94)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	433.76	433.54	433.16	487.89 (2/2/94)	420.23 (13/12/94)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Cmp	745.66	745.84†	743.58	803.93 (18/3/94)	693.79 (24/6/94)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Dec 30	Dec 23	Dec 16	Year ago
Dow Jones Ind. Div. Yield	2.79	2.78	2.80	2.66
	Jan 4	Dec 28	Dec 21	Year ago
S & P Ind. Div. yield	2.45	2.44	2.45	2.40
S & P Ind. P/E ratio	18.71	18.76	18.68	27.43

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	463.20	463.00	-0.25	463.75	462.40	45,904	202,098
Jun	467.90	467.40	-	467.90	467.40	397	8,386
Sep	473.00	473.00	-	473.00	473.00	56	2,725

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Telefonos	10,675,00	38	-⅛
RJR Nabisco	6,461,500	5⅝	+⅛
Repsol SA	4,865,200	27⅞	+⅛
Wal-Mart	4,808,100	22	+⅛
Intl Game	3,724,500	14⅞	—
Gen Motors	3,421,300	43⅛	-⅛
Ford Motor	3,381,700	28⅛	-⅛
Philip Morris	3,312,300	57½	-1⅛
Chrysler	3,152,800	51⅛	+⅛
Empresa	2,821,200	12¾	-⅛

■ TRADING ACTIVITY

● Volume (million)

	Jan 5	Jan 4	Jan 3
New York SE	309.732	319.455	252.100
Amex	18.418	23.612	13.484
NASDAQ	272.842	269.252	229.708
NYSE			
Issues Traded	2,922	2,938	2,917
Rises	1,130	1,411	1,175
Falls	1,082	937	1,195
Unchanged	710	590	547
New Highs	24	25	17
New Lows	35	68	51

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1994. x Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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CURRENCIES AND MONEY

MARKETS REPORT

Dollar rallies

Robust employment data from the US December non-farm payroll report signalled continuing healthy expansion and prompted a slow dollar rally, *writes Motoko Rich.*

The markets were becalmed all morning in advance of the key US jobs data, but by the close of trading in London, the dollar was flirting with its highs for the week. The US currency finished at DM1.5575 against the D-Mark, from DM1.5535 and at Y101.2950 against the yen, from Y101.0050.

The battered Spanish peseta suffered yet another blow as the Portuguese escudo breached the barrier of Es1.20 per peseta for the first time in more than seven years. Against the D-Mark, the peseta closed in London at Pta85.90, from Pta85.54.

■ The US unemployment rate tumbled unexpectedly to its lowest level since July 1990, down to 5.4 per cent from 5.6 per cent in November. A total of 256,000 jobs were created in December, largely in line with expectations of 267,000, and the November job creation data was revised upwards to 488,000 from 350,000.

Mr Jeremy Hawkins, economist at Bank of America, said the markets reacted primarily to the upwards revision on the back-data, as there were "no real surprises" in December's figures.

■ Pound in New York

Jan 6	---Latest---	-- Prev. close --
£ spot	1.5545	1.5630
1 mth	1.5543	1.5628
3 mth	1.5541	1.5626
1 yr	1.5523	1.5615

Although Mr Robert Reich, the US Labor Secretary, and Ms Laura Tyson, chairwoman of the President's Council of Economic Advisers, both said inflation was still modest, Mr Hawkins said the data, along with the Columbia University inflation index, which rose to 113.9 in December from 113.1, suggested a pick-up in inflationary pressures.

Analysts said this led to expectations of an imminent interest rate rise and helped to underpin the dollar.

■ The escudo climbed beyond Es1.20 per peseta for the first time since October 1987 on a day when the peseta fell to a new low against the D-Mark.

Rumours also circulated that the Bank of Spain was selling sterling to buy D-Marks in order to prop up the peseta.

Mr Hawkins said the markets would continue to punish the Spanish currency - as long as it saw political problems and a budget deficit in that country.

■ An apparent correction of exaggerated interest rate forecasts prompted a rally in short sterling futures. The March contract traded 30,900 lots to settle at 92.70, up from 92.64.

Mr Ian Shepherdson, UK economist at Midland Global Markets, said: "Everyone expects a future interest rate rise. It is just a question of degree, not a change in sentiment."

The pound fell against both the dollar and the D-Mark as high November consumer credit figures and low UK auto sales for December were announced.

In London, the pound closed at DM2.4194, down from DM2.4286. Against the dollar, it closed at $1.5535, from $1.5634.

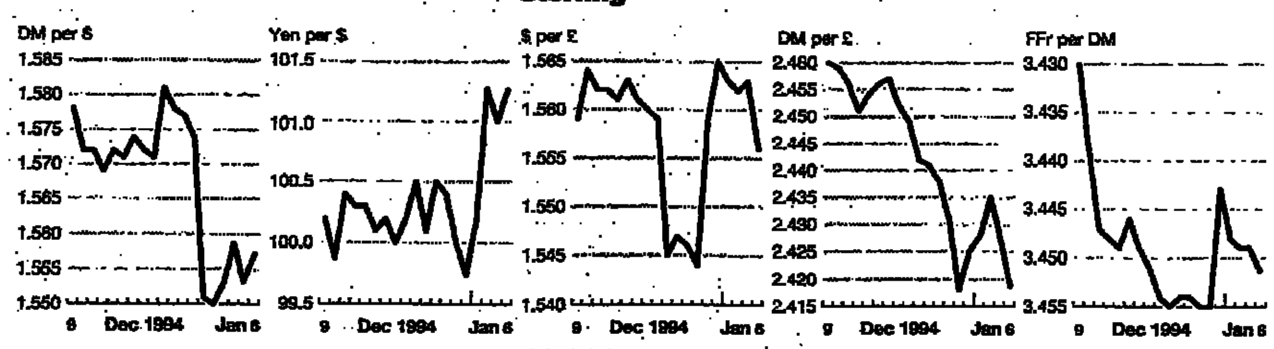
■ The peso firmed in early European trading as the markets awaited a meeting between the Mexican finance minister, Mr Guillermo Ortiz, and International Monetary Fund officials.

Mr Jean-Claude Paye, secretary-general of the Organisation for Economic Co-operation and Development said the peso was undervalued.

But later fell sharply and closed in London at 5.52 pesos to the dollar, from 5.45 pesos.

■ The Bank of England cleared a shortage of £1.25bn at established rates.

Dollar / **Sterling**



Source: Datastream

POUND SPOT FORWARD AGAINST THE POUND

Jan 6		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	16.9583	-0.1448	501 - 664	17.0854	16.9500	16.9445	1.0	16.9039	1.3	-	-	115.8
Belgium	(BFr)	49.8037	-0.1798	801 - 272	49.9770	49.7770	49.7637	1.0	49.6487	1.2	49.0087	1.6	117.4
Denmark	(DKr)	9.5079	-0.0325	040 - 118	9.5447	9.5029	9.5097	-0.2	9.5025	0.2	9.4778	0.3	117.0
Finland	(FM)	7.4004	-0.0361	953 - 054	7.4740	7.3780	-	-	-	-	-	-	88.6
France	(FFr)	8.3502	-0.0228	477 - 527	8.3824	8.3457	8.3479	0.3	8.3414	0.4	8.2793	0.8	110.1
Germany	(DM)	2.4194	-0.0092	186 - 202	2.4308	2.4178	2.4174	1.0	2.4116	1.3	2.3745	1.9	127.0
Greece	(Dr)	375.857	-1.301	641 - 073	377.404	375.564	-	-	-	-	-	-	-
Ireland	(I£)	1.0098	-0.0018	093 - 103	1.0136	1.0091	1.0098	0.2	1.0098	0.0	1.0091	0.1	105.0
Italy	(L)	2531.35	-4.8	016 - 253	2539.40	2529.85	2536.1	-2.3	2545.75	-2.3	2588.75	-2.3	73.0
Luxembourg	(LFr)	49.8037	-0.1798	801 - 272	49.9770	49.7770	49.7637	1.0	49.6487	1.2	49.0087	1.6	117.4
Netherlands	(Fl)	2.7115	-0.0106	106 - 123	2.7221	2.7101	2.7092	1.0	2.7031	1.2	2.6839	1.8	121.4
Norway	(NKr)	10.5624	-0.0309	591 - 656	10.6058	10.5578	10.5617	0.1	10.5607	0.1	10.5524	0.1	86.6
Portugal	(Es)	249.018	-0.727	900 - 136	251.517	248.893	249.838	-4.0	251.313	-3.7	-	-	-
Spain	(Pta)	207.813	+0.106	663 - 963	208.129	207.199	208.168	-2.0	208.893	-2.1	212.043	-2.0	83.8
Sweden	(SKr)	11.6875	+0.068	798 - 952	11.7526	11.5995	11.7045	-1.7	11.733	-1.6	11.8435	-1.3	75.3
Switzerland	(SFr)	2.0306	-0.0104	299 - 313	2.0431	2.0289	2.0268	2.2	2.019	2.3	1.9694	3.0	122.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	79.6
Ecu	-	1.2732	-0.0025	727 - 736	1.2770	1.2727	1.2726	0.3	1.2725	0.2	1.2846	0.7	-
SDR†	-	0.931256	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5540	-0.0061	537 - 543	1.5640	1.5511	-	-	-	-	-	-	-
Brazil	(R)	1.3034	-0.0122	016 - 051	1.3200	1.3010	-	-	-	-	-	-	-
Canada	(C$)	2.1776	-0.0142	768 - 783	2.1953	2.1751	2.1778	-0.1	2.1794	-0.3	2.1902	-0.6	84.7
Mexico	(New Peso)	8.5751	+0.0548	960 - 541	8.6700	8.4305	-	-	-	-	-	-	-
USA	($)	1.5535	-0.0099	532 - 537	1.5656	1.5525	1.5533	0.2	1.5532	0.1	1.5515	0.1	63.5
Pacific/Middle East/Africa													
Australia	(A$)	2.0274	-0.0094	264 - 283	2.0469	2.0250	2.0303	-1.7	2.037	-1.9	2.0738	-2.3	-
Hong Kong	(HK$)	12.0524	-0.0561	489 - 559	12.1381	12.0424	12.0214	3.1	12.0839	-1.0	11.9969	0.5	-
India	(Rs)	48.7279	-0.3066	161 - 396	49.1090	48.6840	-	-	-	-	-	-	-
Japan	(Y)	157.357	-0.55	293 - 421	158.230	157.290	156.857	3.8	155.752	4.1	149.607	4.9	186.1
Malaysia	(M$)	3.9636	-0.023	622 - 650	3.9918	3.9600	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.4383	-0.0092	360 - 406	2.4563	2.4347	2.4441	-2.9	2.455	-2.7	2.4895	-2.1	-
Philippines	(Peso)	38.0285	-0.3205	447 - 123	38.1400	37.9440	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.8276	-0.0371	264 - 287	5.8729	5.8235	-	-	-	-	-	-	-
Singapore	(S$)	2.2584	-0.0132	573 - 595	2.2733	2.2560	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.5261	-0.0328	240 - 281	5.5649	5.5200	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.3148	-0.0168	982 - 313	6.3672	6.2925	-	-	-	-	-	-	-
South Korea	(Won)	1229.64	-5.25	936 - 991	1239.17	1228.50	-	-	-	-	-	-	-
Taiwan	(T$)	40.8713	-0.3132	870 - 555	41.1539	40.7650	-	-	-	-	-	-	-
Thailand	(Bt)	39.0382	-0.2441	242 - 522	39.3360	39.0240	-	-	-	-	-	-	-

†SDR rates for Jan 5. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 6		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan index
Europe													
Austria	(Sch)	10.9165	-0.0235	130 - 200	10.9220	10.9130	10.909	0.8	10.8925	0.9	10.796	1.1	104.8
Belgium	(BFr)	32.0600	+0.088	500 - 700	32.1100	31.8840	32.0375	0.8	31.965	1.2	31.585	1.5	106.4
Denmark	(DKr)	6.1205	+0.018	190 - 220	6.1330	6.0916	6.1212	-0.1	6.123	-0.2	6.1075	0.2	105.3
Finland	(FM)	4.7638	+0.0057	613 - 663	4.8009	4.7202	4.7616	0.6	4.7568	0.6	4.7363	0.6	83.4
France	(FFr)	5.3753	+0.0195	745 - 760	5.3890	5.3440	5.3745	0.2	5.3705	0.4	5.3353	0.7	106.5
Germany	(D)	1.5575	+0.004	572 - 577	1.5605	1.5490	1.5564	0.8	1.5526	1.2	1.5303	1.7	107.7
Greece	(Dr)	241.950	+0.7	850 - 050	242.200	240.800	244.45	-12.4	248.7	-11.2	265.45	-9.7	68.3
Ireland	(I£)	1.5384	-0.0071	378 - 389	1.5482	1.5373	1.5386	-0.1	1.5381	0.1	1.5384	0.0	-
Italy	(L)	1629.50	+7.25	900 - 000	1630.25	1620.25	1632.9	-2.5	1639	-2.3	1668	-2.4	73.5
Luxembourg	(LFr)	32.0600	+0.088	500 - 700	32.1100	31.8840	32.0375	0.8	31.965	1.2	31.585	1.5	106.4
Netherlands	(Fl)	1.7455	+0.0043	452 - 457	1.7485	1.7365	1.7442	0.9	1.7404	1.2	1.7167	1.6	106.1
Norway	(NKr)	6.7993	+0.0233	983 - 003	6.8100	6.7800	6.7956	0.7	6.7898	0.6	6.7393	0.9	95.7
Portugal	(Es)	160.300	+0.55	250 - 350	161.270	159.500	160.875	-4.3	161.925	-4.1	165.425	-3.2	95.3
Spain	(Pta)	133.775	+0.915	700 - 850	133.850	132.650	134.02	-2.2	134.49	-2.1	136.625	-2.1	79.0
Sweden	(SKr)	7.5236	+0.0899	198 - 273	7.5381	7.4213	7.5349	-1.8	7.5541	-1.6	7.6311	-1.4	81.0
Switzerland	(SFr)	1.3072	+0.0017	069 - 074	1.3105	1.3005	1.3049	2.1	1.3	2.2	1.2692	2.9	107.7
UK	(£)	1.5535	-0.0099	532 - 537	1.5656	1.5525	1.5533	0.2	1.5532	0.1	1.5515	0.1	88.2
Ecu	-	1.2202	-0.0054	199 - 204	1.2273	1.2191	1.2204	-0.2	1.2207	-0.1	1.2272	-0.6	-
SDR†	-	1.45369	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.0004	+0.0025	003 - 004	1.0004	0.9990	-	-	-	-	-	-	-
Brazil	(R)	0.8390	-0.0025	380 - 400	0.8440	0.8380	-	-	-	-	-	-	-
Canada	(C$)	1.4018	-0.0002	015 - 020	1.4027	1.3985	1.4019	0.0	1.4032	-0.4	1.4114	-0.7	81.4
Mexico	(New Peso)	5.5200	+0.07	700 - 700	5.5750	5.4000	5.621	-0.2	5.5228	-0.2	5.5302	-0.2	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	97.6
Pacific/Middle East/Africa													
Australia	(A$)	1.3051	+0.0023	046 - 055	1.3090	1.2975	1.3059	-0.7	1.3077	-0.8	1.3204	-1.2	91.0
Hong Kong	(HK$)	7.7585	+0.0133	575 - 595	7.7625	7.7440	7.7585	0.3	7.7553	0.2	7.763	-0.1	-
India	(Rs)	31.3675	+0.0025	650 - 700	31.3700	31.3650	31.4375	-2.7	31.5825	-2.7	-	-	-
Japan	(Y)	101.295	+0.29	270 - 320	101.390	100.880	100.985	3.7	100.265	4.0	96.43	4.8	147.3
Malaysia	(M$)	2.5515	+0.0015	510 - 520	2.5525	2.5487	2.5486	1.4	2.544	1.2	2.572	-0.8	-
New Zealand	(NZ$)	1.5696	+0.0041	684 - 708	1.5711	1.5625	1.5705	-0.7	1.573	-0.9	1.582	-0.8	-
Philippines	(Peso)	24.4800	-0.05	300 - 300	24.5500	24.4200	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7514	-	512 - 515	3.7515	3.7512	3.755	-1.1	3.7619	-1.1	3.7764	-0.7	-
Singapore	(S$)	1.4538	+0.0008	533 - 543	1.4550	1.4523	1.4523	1.3	1.4488	1.4	1.4323	1.5	-
S Africa (Com.)	(R)	3.5573	+0.0015	565 - 580	3.5590	3.5538	3.5728	-5.2	3.6049	-5.4	3.7698	-6.0	-
S Africa (Fin.)	(R)	4.0650	+0.015	550 - 750	4.0805	4.0550	4.093	-8.3	4.1375	-7.1	4.375	-7.6	-
South Korea	(Won)	791.550	+1.65	500 - 600	791.600	789.700	794.55	-4.5	798.05	-3.3	816.55	-3.2	-
Taiwan	(T$)	26.3100	-0.0338	600 - 600	26.3600	26.2600	26.33	-0.9	26.37	-0.9	-	-	-
Thailand	(Bt)	25.1300	+0.003	250 - 350	25.1350	25.1200	25.1595	-1.4	25.2505	-1.9	25.655	-2.1	-

†SDR rate for Jan 5. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Jan 5. Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

January 6	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	5¼	5⅝	5⅝	5 11/16	6⅛	7.40	4.50	-
week ago	5¼	5¼	5⅝	5 11/16	6¼	7.40	4.50	-
France	5⅞	5⅝	6	6⅜	7	5.00	-	6.40
week ago	5⅝	5¾	6⅛	6⅝	7⅛	5.00	-	6.75
Germany	4.83	5.02	5.15	5.35	5.85	6.00	4.50	4.85
week ago	4.88	5.02	5.23	5.43	5.83	6.00	4.50	4.85
Ireland	5⅝	5 13/16	6⅛	6 13/16	7⅛	-	-	6.25
week ago	5⅜	5 13/16	6⅛	6 11/16	7¼	-	-	6.25
Italy	8⅛	8⅝	9⅛	9¾	10⅜	-	7.50	8.20
week ago	8⅛	8⅝	8 15/16	9¾	10½	-	7.50	8.20
Netherlands	4.84	5.16	5.23	5.46	5.98	-	5.25	-
week ago	4.84	5.16	5.37	5.57	5.95	-	5.25	-
Switzerland	3¾	3 13/16	4⅛	4⅛	4¾	6.625	3.50	-
week ago	3¾	3 13/16	4⅛	4½	4 13/16	6.625	3.50	-
US	5¾	5 13/16	6¼	6⅝	7⅝	-	4.75	-
week ago	5½	5 13/16	6⅛	6⅞	7⅝	-	4.75	-
Japan	2⅛	2⅛	2⅝	2⅞	2 11/16	-	1.75	-
week ago	2¼	2⅛	2⅝	2⅛	2 15/16	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	5⅞	6⅛	6 13/16	7 5/16	-	-	-
week ago	-	5¾	6½	7	7 11/16	-	-	-
US Dollar CDs	-	5.70	6.20	6.73	7.47	-	-	-
week ago	-	5.70	6.00	6.54	7.34	-	-	-
SDR Linked Ds	-	4¾	4⅞	5¼	5⅝	-	-	-
week ago	-	4¾	4⅞	5¼	5⅝	-	-	-

ECU Linked Ds mid rates: 1 mth: 5 13/16; 3 mths: 6⅛; 6 mths: 6 9/16; 1 year: 7⅛. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds)

EURO CURRENCY INTEREST RATES

Jan 6	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4 13/16 - 4 11/16	5 1/16 - 4 15/16	5 3/16 - 5 1/16	5 5/16 - 5 3/16	5⅝ - 5½	6¼ - 6⅛
Danish Krone	5¼ - 5	5⅝ - 5⅜	5¾ - 5½	6⅛ - 5⅞	6½ - 6¼	7⅛ - 6⅞
D-Mark	4 15/16 - 4 13/16	4⅞ - 4¾	5 - 4⅞	5⅛ - 5	5⅜ - 5¼	5⅞ - 5¾
Dutch Guilder	5 3/16 - 5 1/16	5 3/16 - 5 1/16	5 3/16 - 5 1/16	5¼ - 5⅛	5½ - 5⅜	6 - 5⅞
French Franc	5 7/16 - 5 5/16	5 7/16 - 5 5/16	5⅝ - 5½	6 - 5⅞	6 7/16 - 6 5/16	7 - 6⅞
Portuguese Esc.	8¾ - 8⅝	9 5/16 - 9 1/16	10½ - 10⅛	11⅛ - 10⅞	10¾ - 10¼	11¾ - 11¼
Spanish Peseta	8½ - 8⅜	8½ - 8⅜	8 11/16 - 8 9/16	9 5/16 - 9 3/16	9 15/16 - 9 13/16	10½ - 10⅜
Sterling	6 - 5¾	6 - 5⅞	6 1/16 - 5 15/16	6 9/16 - 6 7/16	7 1/16 - 6 15/16	7 13/16 - 7 11/16
Swiss Franc	3⅞ - 3⅝	3⅞ - 3⅝	3 15/16 - 3 13/16	4¼ - 4⅛	4½ - 4⅜	4 13/16 - 4 11/16
Can. Dollar	5⅝ - 5 7/16	5¾ - 5 9/16	5⅞ - 5¾	6 13/16 - 6 11/16	7⅝ - 7½	8½ - 8⅜
US Dollar	5 13/16 - 5 11/16	5 11/16 - 5 9/16	5⅞ - 5¾	6 7/16 - 6 5/16	6 15/16 - 6 13/16	7 11/16 - 7 9/16
Italian Lira	9 - 7½	8⅜ - 8¼	8 9/16 - 8 7/16	9 3/16 - 8 15/16	9¾ - 9⅝	10 9/16 - 10 7/16
Yen	2¼ - 2 3/16	2 5/16 - 2¼	2 5/16 - 2¼	2 7/16 - 2⅜	2 15/32 - 2 13/32	2 13/16 - 2⅝
Asian $Sing	3⅞ - 3⅝	4⅜ - 4¼	3⅝ - 3½	4 5/16 - 4 3/16	4 9/16 - 4 7/16	4¾ - 4⅝

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.28	93.43	-	93.46	93.26	28,214	49,656
Jun	92.89	93.01	-	93.05	92.89	17,229	53,273
Sep	92.64	92.72	-	92.75	92.62	4,891	30,843
Dec	92.36	92.46	+0.01	92.49	92.36	3,026	19,627

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	-	92.91	+0.05	-	-	0	1456
Jun	92.16	92.20	+0.08	92.16	92.16	4	443
Sep	91.79	91.83	+0.06	91.79	91.79	2	177
Dec	-	91.62	+0.04	-	-	0	0

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.45	94.53	+0.06	94.55	94.45	40637	202258
Jun	94.01	94.09	+0.05	94.10	94.00	30742	143608
Sep	93.61	93.67	+0.04	93.68	93.60	21166	87163
Dec	93.19	93.25	+0.03	93.27	93.17	14897	66958

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	89.98	90.07	+0.03	90.10	89.96	5895	35035
Jun	89.40	89.47	-0.03	89.48	89.38	1563	19307
Sep	89.09	89.17	-0.04	89.17	89.09	427	23360
Dec	88.86	88.90	-0.07	88.94	88.86	837	15613

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.51	95.58	+0.06	95.59	95.52	4307	20052
Jun	95.24	95.27	+0.05	95.28	95.23	1648	7764
Sep	94.98	94.99	+0.03	94.98	94.95	395	5433
Dec	94.73	94.76	+0.03	94.76	94.72	412	2491

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.25	93.33	+0.05	93.32	93.25	1038	8486
Jun	92.78	92.84	+0.04	92.84	92.76	776	5031
Sep	92.35	92.44	+0.04	92.42	92.35	163	2772
Dec	92.04	92.08	+0.03	92.06	92.03	175	1424

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 6		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.09	16.77	4.857	2.028	5082	5.446	21.20	500.0	417.3	23.47	4.078	2.008	4.373	3.120	316.1	2.556
Denmark	(DKr)	52.38	10	8.782	2.544	1.062	2662	2.852	11.11	261.9	218.6	12.29	2.136	1.052	2.291	1.634	165.5	1.339
France	(FFr)	59.64	11.39	10	2.897	1.210	3031	3.248	12.65	298.2	248.9	14.00	2.432	1.198	2.608	1.861	188.5	1.525
Germany	(DM)	20.59	3.931	3.452	1	0.418	1046	1.121	4.365	102.9	85.90	4.833	0.840	0.413	0.900	0.642	65.07	0.526
Ireland	(I£)	49.31	9.414	8.267	2.395	1	2506	2.685	10.46	246.5	205.7	11.57	2.011	0.990	2.156	1.539	155.8	1.260
Italy	(L)	1.968	0.376	0.330	0.096	0.040	100.	0.107	0.417	9.838	8.210	0.462	0.080	0.040	0.086	0.061	6.219	0.050
Netherlands	(Fl)	18.36	3.506	3.079	0.892	0.372	933.3	1	3.894	91.81	76.62	4.310	0.749	0.369	0.803	0.573	58.04	0.469
Norway	(NKr)	47.16	9.004	7.907	2.291	0.956	2397	2.568	10	235.8	196.8	11.07	1.923	0.947	2.063	1.472	149.1	1.205
Portugal	(Es)	20.00	3.818	3.353	0.971	0.406	1016	1.089	4.241	100.	83.45	4.695	0.816	0.402	0.875	0.624	63.21	0.511
Spain	(Pta)	23.97	4.576	4.018	1.164	0.486	1218	1.305	5.082	119.8	100.	5.626	0.977	0.481	1.048	0.748	75.75	0.613
Sweden	(SKr)	42.60	8.133	7.143	2.069	0.864	2165	2.320	9.033	213.0	177.8	10	1.737	0.855	1.863	1.329	134.6	1.089
Switzerland	(SFr)	24.52	4.681	4.111	1.191	0.497	1246	1.335	5.199	122.6	102.3	5.756	1	0.492	1.072	0.765	77.50	0.627
UK	(£)	49.80	9.508	8.350	2.419	1.010	2531	2.712	10.56	249.0	207.8	11.69	2.031	1	2.178	1.554	157.4	1.273
Canada	(C$)	22.87	4.365	3.834	1.111	0.464	1162	1.245	4.848	114.3	95.41	5.367	0.933	0.459	1	0.713	72.27	0.584
US	($)	32.05	6.118	5.373	1.557	0.650	1629	1.745	6.795	160.2	133.7	7.523	1.307	0.644	1.402	1	101.3	0.819
Japan	(Y)	31.64	6.041	5.305	1.537	0.642	1608	1.723	6.709	158.2	132.0	7.427	1.290	0.635	1.384	0.987	100.	0.809
Ecu		39.12	7.469	6.559	1.900	0.793	1988	2.130	8.295	195.6	163.2	9.183	1.595	0.786	1.711	1.221	123.6	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Jan 6	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.13517	-0.00225	-2.80	8.83	-
Belgium	40.2123	39.2107	-0.0105	-2.49	8.48	18
Germany	1.94964	1.90486	-0.00224	-2.30	8.27	-
Ireland	0.808628	0.794200	+0.000137	-1.78	7.70	12
France	6.53883	6.57514	+0.00393	0.56	5.20	-5
Denmark	7.43679	7.48901	-0.00141	0.70	5.04	-5
Portugal	192.854	196.075	+0.079	1.67	4.04	-11
Spain	154.250	163.169	+0.655	5.78	0.00	-40
NON ERM MEMBERS						
Greece	264.513	295.839	-0.148	11.84	-5.42	-
Italy	1793.19	1993.28	+5.02	11.16	-4.84	-
UK	0.786749	0.785616	+0.000248	-0.14	5.93	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6458	0.6444	-0.0016	0.6471	0.6432	24,947	71,461
Jun	0.6490	0.6464	-0.0016	0.6494	0.6464	59	1,966
Sep	-	0.6500	-	-	0.6500	8	146

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.0079	0.9954	-0.0029	0.9982	0.9345	18,995	81,298
Jun	1.0087	1.0076	-0.0030	1.0105	1.0074	397	6,823
Sep	-	1.0233	-	-	-	10	340

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Jan	Feb	Mar	PUTS Jan	Feb	Mar
1.500	6.08	6.14	6.31	-	0.06	0.36
1.525	3.61	3.92	4.32	-	0.32	0.84
1.550	1.43	2.14	2.69	0.25	0.98	1.68
1.575	0.22	0.94	1.55	1.54	2.26	2.92
1.600	-	0.32	0.80	3.74	4.08	4.64
1.625	-	0.07	0.36	6.21	6.31	6.67

Previous day's vol., Calls 7,410 Puts 14,629 . Prev. day's open int., Calls 212,018 Puts 241,110

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.7708	0.7678	-0.0029	0.7720	0.7665	17,469	35,499
Jun	0.7758	0.7730	-0.0030	0.7765	0.7723	108	714
Sep	-	0.7821	-	-	-	9	60

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.5610	1.5604	-0.0020	1.5650	1.5580	5,901	53,654
Jun	1.5570	1.5590	-0.0050	1.5640	1.5570	3	541
Sep	-	1.5580	-	1.5630	1.5580	5	4

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	92.87	92.89	+0.02	92.92	92.82	100,893	463,089
Jun	92.15	92.16	+0.02	92.21	92.08	112,133	376,490
Sep	91.78	91.79	+0.02	91.84	91.72	73,613	294,528

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	93.53	93.54	+0.01	93.58	93.51	1,546	14,736
Jun	92.86	92.83	-	92.89	92.79	241	3,697
Sep	92.42	92.46	-0.03	92.50	92.42	95	934

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Jan	Feb	Mar	Jun	PUTS Jan	Feb	Mar	Jun
9450	0.06	0.12	0.16	0.10	0.03	0.09	0.13	0.51
9475	0	0.03	0.06	0.05	0.22	0.25	0.26	0.71
9500	0	0.01	0.02	0.03	0.47	0.48	0.49	0.94

Est. vol. total, Calls 8168 Puts 9793. Previous day's open int., Calls 127860 Puts 163307

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9550	0.18	0.15	0.13	0.10	0.38	0.64
9575	0.07	0.07	0.07	0.24	0.55	0.83
9600	0.02	0.04	0.04	0.44	0.77	1.05

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1395 Puts 1665

UK INTEREST RATES

LONDON MONEY RATES

Jan 6	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5⅝ - 3½	5 13/16 - 5¼	6 1/16 - 5¾	6⅝ - 6 7/16	7 1/16 - 6 15/16	7 13/16 - 7 11/16
Sterling CDs	-	-	5⅞ - 5 13/16	6 13/16 - 6⅝	7 - 6⅞	7 11/16 - 7¾
Treasury Bills	-	-	5 13/16 - 5⅞	6⅝ - 6 1/16	-	-
Bank Bills	-	-	5 13/16 - 5⅞	6 7/16 - 6 5/16	6⅞ - 6¾	-
Local authority deps.	5 13/16 - 5 13/16	5 13/16 - 5 13/16	6 1/16 - 5 15/16	6⅝ - 6 7/16	7 1/16 - 6 15/16	7 13/16 - 7 11/16
Discount Market deps	5½ - 4¼	5¾ - 5½	--	-	-	-

UK clearing bank base lending rate 6¼ per cent from December 7, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1½	4	3¾	3¾	3½

Certs of Tax dep. under £100,000 is 1½pc. Deposits withdrawn for cash ¾pc.
Ave. tender rate of discount 5.9162pc. ECGD fixed rate Stlg. Export Finance. Make up day Dec 30, 1994. Agreed rate for period Jan 26, 1995 to Feb 25, 1995, Schemes II & III 7.71pc. Reference rate for period Dec 1, 1994 to Dec 30, 1994, Schemes IV & V 6.402pc. Finance House Base Rate 6½pc from Jan 1, 1995

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	92.63	92.70	+0.06	92.71	92.62	30934	98409
Jun	91.89	91.96	+0.05	91.98	91.89	20758	68608
Sep	91.37	91.45	+0.07	91.46	91.36	7304	66253
Dec	91.06	91.14	+0.08	91.15	91.06	4614	46993

Also traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9250	0.33	0.17	0.14	0.13	0.71	1.19
9275	0.19	0.11	0.09	0.24	0.90	1.39
9300	0.09	0.07	0.06	0.39	1.11	1.61

Est. vol. total, Calls 3753 Puts 1136. Previous day's open int., Calls 90720 Puts 88728

BASE LENDING RATES

	%		%		%
Adam & Company	6.25	Duncan Lawrie	6.25	* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	9
Allied Trust Bank	6.25	Exeter Bank Limited	7.25	[illegible] of Scotland	6.25
AIB Bank	6.25	Financial & Gen Bank	6.5	[illegible] & Friedlander	6.25
●Henry Ansbacher	6.25	●Robert Fleming & Co	6.25	●[illegible] Williams Secs	6.25
Bank of Baroda	6.25	Girobank	6.25	[illegible]	6.25
Banco Bilbao Vizcaya	6.25	●Guinness Mahon	6.25	●[illegible] Bk of Kuwait	6.25
Bank of Cyprus	6.25	Habib Bank AG Zurich	6.25	[illegible] Trust Bank Plc	6.25
Bank of Ireland	6.25	●Hambros Bank	6.25	[illegible] Trust	6.25
Bank of India	6.25	Heritable & Gen Inv Bk	6.25	Whiteaway Laidlaw	6.25
Bank of Scotland	6.25	●Hill Samuel	6.25	Yorkshire Bank	6.25
Barclays Bank	6.25	C. Hoare & Co	6.25		
Brit Bk of Mid East	6.25	Hongkong & Shanghai	6.25		
●Brown Shipley & Co Ltd	6.25	Julian Hodge Bank	6.25		
Citibank NA	6.25	●Leopold Joseph & Sons	6.25		
Clydesdale Bank	6.25	Lloyds Bank	6.25		
The Co-operative Bank	6.25	Meghraj Bank Ltd	6.25		
Coutts & Co	6.25	Midland Bank	6.25		
Credit Lyonnais	6.25	* Mount Banking	6.25		
Cyprus Popular Bank	6.25	NatWestminster	6.25		
		●Rea Brothers	6.25		

● Members of London Investment Banking Association
* In administration

■ OTHER CURRENCIES

Jan 6	£	$
Hungary	175.791 - 176.003	113.180 - 113.290
Iran	2731.00 - 2734.00	1748.00 - 1750.00
Kuwait	0.4652 - 0.4658	0.2995 - 0.2998
Poland	3.7952 - 3.7988	2.4435 - 2.4450
Russia	5817.90 - 5833.40	3745.00 - 3755.00
U.A.E.	5.7044 - 5.7087	3.6727 - 3.6730

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Emerging Markets page in Monday's edition.

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The Financial Times plans to publish a survey on
Housing Associations
on Wednesday, February 15

The topics covered within this survey will include:
- Public/Private finance initiatives
- Innovative funding mechanisms
- The Housing Corporation and its regulatory role
- How the house builders view future potential
- An examination of corporate governance
- The growth in quality of associations' management teams and how they function

With an increasing emphasis on business professionals having direct involvement on the committees of Housing Associations, the Financial Times and its high concentration of business decision makers and opinion forming readers offers a genuine stage for debating this sector's key issues.

If you would like to advertise in this edition and receive a synopsis of the survey, please contact:

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FINANCIAL TIMES *Newsletters*

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKET

Sugar prices hit fresh peaks

White sugar futures surged to 4½-year highs at the London Commodity Exchange this week as consuming countries went on a new year buying spree.

The May position, which peaked at $424.50 a tonne on Thursday, was $18.50 up on the week at $424 a tonne in late trading yesterday.

The most influential development was China's reported return to the market, but there was also buying by Indonesia and Egypt. Adding to the bullish mood was India's imminent tender for up to 100,000 tonnes and rumours that Turkey was seeking up to 200,000 tonnes of whites.

The LCE robusta coffee market had an erratic week. Having dipped $117 to $2,705 a tonne at one stage on Tuesday the March delivery contract began a bounce that carried to $2,854 yesterday morning. It closed at $2,836 a tonne, up $14 on balance.

The upswing was fuelled by "a burst of buying" in New York, one trader told the Reuters news agency. This brought an immediate response in the thinly-traded London market, but traders remained cautious about the outlook for prices. "It needs another $50-$100 to be classed as bullish," one said.

The cocoa market also ended on an upswing. A sustained rise, helped by the publication a better-than-expected Dutch grinding figure for the final quarter of 1994, lifted the May delivery price above £1,000 a tonne briefly on Thursday. But producer selling was attracted at that level and the retreat was quickly sounded. However, renewed buying yesterday took the price to £1,011 a tonne, up £40 on the week.

At the London Metal Exchange the copper and aluminium markets both shrugged off yesterday's announcements of substantial rises in exchange warehouse stocks to register gains on the day. But while aluminium's rise lifted it to a fresh 4¼-year high copper's was insufficient to repair the damage done to the market's uptrend earlier in the week.

Explanations for aluminium's stocks rise varied, but traders were generally agreed that it was a temporary phenomenon. Some suggested to Reuters that a financing deal had not been renewed by a warehousing company, so the bank holding the metal was putting it on warrant. Others said the possibility that the LME might change its rules regarding compound storage of aluminium persuaded some holders of LME-registered metal stored outside to place it on warrant now.

Copper's earlier fall had seen the cash quotation revert from a premium to a discount against the three months position, suggesting that concern about nearby supply tightness had eased. But at yesterday's close the cash price, down $55.50 on the week at $2,984 a tonne, was back to a $7.50 premium.

The precious metals complex made a jittery start to the new year, with gold and silver hitting eight-month and 13-month lows respectively as investment funds staged something of a sell-off.

Gold staged a small rally yesterday, but traders were not looking for a quick recovery. "There is still some overhead selling to come out in gold," said one dealer. "If it is to recover it has to get past that at $376.50-$377 [a troy ounce]." Yesterday's London close was at $375.75 an ounce, $1.55 off the low but still $7 down on the week.

The cash silver price regained 6.5 cents in London yesterday but was still 17 cents down overall at $4.71 an ounce.

Richard Mooney

LME WAREHOUSE STOCKS (As at Thursday's close) tonnes

Aluminium	+26,750	to 1,703,400
Aluminium alloy	-80	to 30,420
Copper	+11,325	to 313,175
Lead	-5,725	to 337,700
Nickel	+30	to 148,422
Zinc	-300	to 1,164,900
Tin	+5	to 28,110

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1994/5 High	1994/5 Low
Gold per troy oz.	$376.75	-7.00	$388.25	$398.50	$369.50
Silver per troy oz	300.75p	-11.25	344.25	384.50p	308.50p
Aluminium 99.7% (cash)	$2020.5	+69	$1133	$1968.0	$1107.50
Copper Grade A (cash)	$2984.0	-55.5	$1731.5	$3055.0	$1731.50
Lead (cash)	$654.50	+4.0	$480.5	$675.0	$426.0
Nickel (cash)	$9255.0	+390	$5230	$9255.0	$5210.0
Zinc SHG (cash)	$1140.5	+8	$972.5	$1186.5	$900.5
Tin (cash)	$6005.0	-10	$4712.5	$6270.0	$4730.0
Cocoa Futures May	£1010	+39	£888	£1124	£859
Coffee Futures Mar	$2838	+16	$1195	$4091	$1175
Sugar (LDP Raw)	$375.6	+13.6	$267.5	$368.8	$252.9
Barley Futures Mar	£105.50	-0.30	£105.7	£106.00	£92.65
Wheat Futures Mar	£108.75	+1.15	£100.65	£117.50	£97.80
Cotton Outlook A Index	92.45	-	60.55c	92.45c	62.45c
Wool (64s Super)	478p	-	347p	485p	342p
Oil (Brent Blend)	$16.70z	+0.21	$14.34	$18.61	$13.16

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. z Feb

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	2020-21	2047-8
Previous	1987-8	2037-8
High/low		2057/2027
AM Official	2021-22	2048-8.5
Kerb close		2048-9
Open int.	251,983	
Total daily turnover	37,883	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1923-8	1963-8
Previous	1913-5	1952-5
High/low		1960
AM Official	1920-5	1960-5
Kerb close		1965-70
Open int.	2,566	
Total daily turnover	483	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	654-5	670-1
Previous	648-9	665-5.5
High/low		675/666
AM Official	651.5-2.5	668.5-9.0
Kerb close		674.5-5.0
Open int.	41,226	
Total daily turnover	6,199	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	9250-60	9390-400
Previous	9020-30	9175-80
High/low		9430/9200
AM Official	9088-90	9245-50
Kerb close		9410-15
Open int.	58,416	
Total daily turnover	7,022	

■ TIN ($ per tonne)

	Cash	3 mths
Close	6000-10	6100-05
Previous	5985-95	6080-90
High/low		6150/6105
AM Official	5995-6000	6100-05
Kerb close		6110-20
Open int.	21,598	
Total daily turnover	3,110	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	1140-1	1164-5
Previous	1136.5-7.5	1162-3
High/low	1138	1166/1156
AM Official	1138.5-9.0	1162.5-3.0
Kerb close		1164-5
Open int.	102,968	
Total daily turnover	6,190	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	2984-5	2976-7
Previous	2942-4	2945-7
High/low	2972/2967	2990/2950
AM Official	2968-9	2962-3
Kerb close		2988-89
Open int.	241,881	
Total daily turnover	40,669	

■ LME AM Official £/$ rate: 1.5641
LME Closing £/$ rate: 1.5530

Spot:1.5515 3 mths:1.5513 6 mths:1.5508 9 mths:1.5502

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Jan	137.40	+1.50	137.40	136.00	2,236	123
Feb	136.80	+1.55	136.80	136.80	571	22
Mar	136.30	+1.50	137.20	134.40	29,149	6,963
Apr	133.90	+1.40	-	-	915	1
May	131.80	+1.25	132.20	130.45	5,085	612
Jun	129.40	+1.10	-	-	521	37
Total					49,871	8,406

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	375.50-376.00	
Opening	376.25-376.65	
Morning fix	375.90	240.361
Afternoon fix	375.20	240.683
Day's High	376.20-376.50	
Day's Low	374.80-375.10	
Previous close	374.30-374.70	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.96	6 months	6.00
2 months	5.41	12 months	6.64
3 months	5.41		

Silver Fix	p/troy oz.	US cts equiv.
Spot	300.75	470.25
3 months	305.10	476.95
6 months	310.45	485.15
1 year	322.45	503.60
Gold Coins	**$ price**	**£ equiv.**
Krugerrand	377-380	240-243
Maple Leaf	385.85-388.30	
New Sovereign	87-90	55-58

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Jan	371.2	-4.2	375.3	372.0	1	-
Feb	372.2	-4.4	377.1	372.0	92,978	26,822
Mar	374.1	-4.5	-	-	-	-
Apr	376.0	-4.5	380.9	375.6	15,585	4,013
Jun	380.0	-4.6	385.0	380.0	22,455	3,533
Aug	384.4	-4.7	389.1	384.0	13,675	1,675
Total					191,573	38,543

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Jan	401.9	-3.6	407.5	405.0	178	157
Apr	406.4	-4.1	412.5	406.1	20,055	3,348
Jul	410.9	-4.1	416.8	411.5	2,775	19
Oct	415.4	-4.1	420.0	420.0	827	-
Jan	419.1	-4.1	423.2	423.2	121	1
Total					23,958	3,535

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Mar	154.65	-1.90	158.00	154.50	6,499	437
Jun	155.90	-1.90	158.00	157.00	852	72
Sep	156.90	-1.90	-	-	143	-
Dec	157.90	-1.90	-	-	11	-
Total					7,605	509

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Jan	461.6	-7.8	-	-	27	22
Feb	462.1	-7.8	-	-	1	-
Mar	465.2	-8.0	473.5	463.5	73,739	23,478
May	470.9	-8.1	479.0	475.0	11,287	946
Jul	477.1	-8.2	485.5	483.5	7,042	483
Sep	483.4	-8.3	490.0	491.0	9,603	126
Total					132,476	25,563

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	17.87	+0.15	18.02	17.70	80,496	42,128
Mar	17.80	+0.11	17.95	17.71	63,107	21,874
Apr	17.79	+0.09	17.90	17.72	25,149	10,087
May	17.82	+0.10	17.90	17.79	14,869	3,211
Jun	17.83	+0.09	17.90	17.82	27,602	43,595
Jul	17.85	+0.07	17.90	17.82	13,905	3,514
Total					360,411	94,002

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	16.70	+0.24	16.82	16.51	83,534	24,888
Mar	16.56	+0.15	16.65	16.46	41,770	16,991
Apr	16.52	+0.11	16.57	16.45	16,339	2,117
May	16.54	+0.14	16.54	16.45	7,766	1,632
Jun	16.53	+0.06	16.53	16.49	7,527	1,301
Jul	16.53	+0.16	16.56	16.47	4,716	1,005
Total					N/A	40,588

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	49.95	-0.01	50.50	49.80	42,857	15,780
Mar	49.95	-0.05	50.50	49.80	26,359	9,005
Apr	49.80	+0.05	50.20	49.75	14,964	2,657
May	49.40	-	50.00	49.35	8,867	1,909
Jun	49.25	+0.05	49.50	49.25	7,481	1,787
Jul	49.45	-	49.50	49.30	6,942	1,688
Total					126,672	35,708

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	145.50	+0.75	148.25	145.00	34,819	7,816
Feb	148.25	+0.75	149.25	147.75	31,127	5,156
Mar	150.25	+0.75	150.50	149.75	12,165	2,290
Apr	150.00	-	151.00	150.00	5,420	728
May	150.75	+0.25	152.00	150.75	2,060	208
Jun	151.00	-	151.75	151.00	7,828	1,691
Total					N/A	N/A

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	1.505	-0.047	1.555	1.480	27,368	18,370
Mar	1.535	-0.039	1.580	1.515	18,549	6,067
Apr	1.540	-0.034	1.560	1.520	10,912	2,191
May	1.545	-0.038	1.575	1.540	10,528	1,071
Jun	1.570	-0.032	1.580	1.565	8,565	763
Jul	1.590	-0.031	1.610	1.580	9,120	877
Total					137,925	33,611

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	54.65	+0.14	55.30	54.40	20,690	17,037
Mar	53.90	+0.23	54.30	53.90	11,147	6,678
Apr	56.35	+0.40	56.55	56.35	11,046	2,201
May	55.40	+0.20	55.55	55.45	5,718	1,825
Jun	55.55	+0.25	55.75	55.55	1,914	428
Jul	55.30	-	-	-	1,190	9
Total					54,945	28,500

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	107.45	-0.05	107.30	107.15	425	96
Mar	108.75	-0.05	108.80	108.40	1,904	174
May	110.50	-0.05	110.50	110.05	1,900	44
Jul	112.40	-0.05	-	-	296	-
Sep	97.25	+0.50	97.25	97.25	70	5
Nov	98.65	+0.25	98.50	98.50	1,274	8
Total					5,935	329

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	394/4	-1/6	395/0	392/0	43,452	9,081
May	374/2	-1/2	375/6	372/4	8,432	1,548
Jul	348/6	+1/4	349/4	345/4	16,271	2,925
Sep	353/6	+1/2	354/4	351/4	844	18
Dec	364/0	+1/0	364/0	363/6	337	27
Mar	371/0	-	-	-	13	-
Total					69,359	13,589

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	231/8	+1/0	232/0	230/2	113,337	21,834
May	239/0	+1/0	239/2	237/2	58,668	3,838
Jul	244/4	+1/2	244/6	242/4	52,407	2,620
Sep	248/2	+1/2	248/4	246/6	6,660	511
Dec	252/2	+1/2	252/4	250/2	35,211	2,520
Mar	258/6	+0/6	259/2	257/4	3,613	511
Total					270,571	32,150

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	103.75	+0.25	103.50	103.50	151	32
Mar	105.50	+0.25	105.50	105.50	280	7
May	107.85	+0.20	107.65	107.65	69	1
Sep	98.00	+0.25	-	-	30	-
Nov	97.65	+1.10	97.30	97.30	75	5
Jan	99.50	+0.60	-	-	-	-
Total					656	45

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	549/0	+0/2	549/4	546/4	5,986	8,933
Mar	558/4	-	559/0	555/4	57,890	21,729
May	567/6	-0/6	569/0	565/0	24,924	3,032
Jul	574/0	-1/0	574/2	571/0	29,711	2,272
Aug	576/4	-1/6	576/4	575/0	2,411	425
Sep	580/2	-0/6	580/4	577/4	2,058	91
Total					138,816	37,585

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	28.78	-0.41	28.80	28.81	12,997	3,013
Mar	27.53	-0.40	27.65	27.40	46,686	9,729
May	26.54	-0.25	26.59	26.35	21,981	2,009
Jul	25.93	-0.16	25.95	25.75	12,507	2,210
Aug	25.61	-0.14	25.62	25.46	3,207	168
Sep	25.25	-0.15	25.30	25.15	3,476	217
Total					111,466	18,195

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	153.7	+0.3	154.1	153.0	2,368	1,774
Mar	157.2	+0.7	157.5	156.1	41,352	7,189
May	160.7	+0.4	161.0	159.8	19,185	1,617
Jul	164.7	+0.3	165.0	163.9	14,652	1,054
Aug	166.7	+0.3	167.0	166.0	3,838	93
Sep	168.7	+0.1	169.0	168.3	3,088	96
Total					95,184	12,278

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	250.0	-	-	-	-	-
Apr	285.3	-3.0	288.0	285.0	1,467	62
May	313.5	+8.0	-	-	7	-
Jun	250.0	-	-	-	-	-
Total					1,458	62

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	2055	+9	2060	2045	824	150
Feb	2065	+20	2075	2050	235	65
Mar	2063	+23	2060	2045	119	111
Apr	1997	+31	2000	1966	1,502	128
Jul	1760	+20	1765	1750	434	24
Oct	1775	+7	1780	1765	235	61
Total					3,351	559

	Close	Prev
BFI	1983	1967

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	1012	+16	1020	997	38,587	3,803
May	1010	+18	1019	988	19,461	5,391
Jul	1017	+17	1026	997	7,917	432
Sep	1029	+21	1032	1008	12,627	3,170
Dec	1039	+20	1043	1018	11,775	603
Mar	1051	+19	1055	1030	9,454	1,384
Total					105,760	15,038

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	1341	+1	1370	1329	37,236	6,430
May	1363	+6	1385	1347	13,736	3,308
Jul	1380	+2	1400	1373	6,992	910
Sep	1403	+5	1418	1395	2,328	96
Dec	1443	+5	1440	1423	4,537	12
Mar	1458	+5	1465	1443	8,719	-
Total					78,851	12,756

■ COCOA (ICCO) (SDR's/tonne)

Jan 5	Price	Prev. day
Daily	1001.39	989.04

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	2805	+25	2810	2780	898	104
Mar	2838	+20	2854	2810	14,747	2,286
May	2813	+40	2815	2780	5,929	695
Jul	2798	+41	2795	2770	2,276	168
Sep	2806	+45	2800	2790	2,677	10
Nov	2813	+40	2807	2807	566	10
Total					28,179	3,273

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	174.95	+2.40	175.50	170.60	15,689	6,641
May	175.95	+2.05	176.35	172.00	8,732	1,003
Jul	176.15	+1.90	176.50	173.10	3,671	809
Sep	176.00	+1.00	177.00	173.55	2,171	268
Dec	175.20	+0.95	176.25	172.90	2,756	98
Mar	174.20	+1.20	176.75	175.75	242	57
Total					33,593	8,876

■ COFFEE (ICO) (US cents/pound)

Jan 5	Price	Prev. day
Comp. daily	154.11	150.87
15 day average	149.00	148.21

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	15.87	+0.04	-	-	480	-
May	16.02	+0.07	-	-	860	-
Jul	15.30	-	-	-	300	-
Oct	12.50	-	-	-	-	-
Total					1,640	-

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	427.00	+0.30	427.50	422.60	13,154	778
May	423.60	+0.90	424.00	420.00	5,260	482
Aug	404.90	+1.70	405.00	401.40	4,781	332
Oct	373.60	+0.40	374.00	370.00	1,748	87
Dec	366.30	+0.40	365.60	365.60	126	10
Mar	362.30	+0.40	-	-	229	-
Total					25,328	1,689

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	15.74	+0.13	15.78	15.48	92,162	9,090
May	15.79	+0.09	15.85	15.53	40,559	6,584
Jul	15.16	+0.11	15.19	14.92	25,757	2,112
Oct	14.15	+0.06	14.17	13.95	28,168	3,008
Mar	13.38	+0.04	13.39	13.15	7,162	539
May	13.20	-	13.20	13.03	2,161	20
Total					197,967	21,363

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	88.58	-0.25	89.20	88.00	32,434	5,282
May	88.55	+0.21	89.10	87.52	14,831	2,145
Jul	87.70	+0.30	88.40	86.80	9,498	1,070
Oct	79.20	+0.17	79.70	78.85	2,596	474
Dec	74.45	+0.30	74.70	74.02	11,047	1,404
Mar	75.12	+0.07	75.30	75.00	169	65
Total					70,582	10,440

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	106.30	-1.70	108.00	106.30	561	263
Mar	110.90	-1.25	112.50	110.65	16,111	1,228
May	114.15	-1.25	115.50	114.05	2,451	108
Jul	117.40	-1.25	-	-	1,037	7
Sep	120.40	-1.25	121.50	120.40	2,523	4
Nov	117.60	-1.45	118.30	118.10	1,806	13
Total					25,317	1,654

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	72.850	-0.125	73.200	72.700	31,718	5,306
Apr	73.325	-	73.575	73.100	27,734	3,830
Jun	67.450	+0.125	67.575	67.100	8,782	1,383
Aug	65.000	+0.050	65.200	64.800	4,123	669
Oct	65.550	+0.125	65.650	65.375	502	150
Dec	66.575	+0.150	66.625	66.350	167	107
Total					76,038	11,712

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	37.100	-1.225	38.850	37.000	13,679	3,811
Apr	38.750	-0.675	39.950	38.650	11,422	2,482
Jun	44.225	-0.575	45.150	44.025	6,321	936
Aug	43.850	-0.450	44.425	43.750	1,637	258
Oct	41.750	-0.425	42.400	41.750	1,892	158
Dec	42.700	-0.575	43.500	42.700	1,669	196
Total					37,130	7,829

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	41.475	+0.625	42.450	41.200	6,786	1,230
Mar	41.725	-0.100	42.950	41.700	1,811	236
May	42.800	-0.173	44.000	42.600	587	39
Jul	43.950	+0.050	44.700	43.800	726	160
Aug	42.350	+0.300	43.200	42.275	285	10
Feb	50.600	-	51.250	50.600	34	7
Total					10,217	1,824

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Mar	Jul	Mar	Jul
1900	179	213	35	114
2000	116	164	71	162
2100	69	123	124	219
■ COPPER (Grade A) LME	Mar	Jul	Mar	Jul
2800	-	143	-	131
2900	158	101	44	186
3000	98	-	84	-
■ COFFEE LCE	Mar	May	Mar	May
2600	288	340	50	127
2650	253	310	66	147
2700	220	282	82	169
■ COCOA LCE	Mar	May	Mar	May
925	93	106	6	21
950	72	89	10	29
975	54	74	17	39
■ BRENT CRUDE IPE	Apr	Jul	Apr	Jul
1600	94	112	36	59
1650	61	87	55	84
1700	40	63	89	102

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb)

		+or-
Dubai	$16.15-6.23u	+0.215
Brent Blend (dated)	$16.39-6.41	+0.30
Brent Blend (Feb)	$16.69-6.71	+0.25
W.T.I. (1pm est)	$17.90-7.91u	+0.185

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$168-170	
Gas Oil	$148-151	+2.5
Heavy Fuel Oil	$110-112	-1
Naphtha	$158-161	
Jet fuel	$166-168	+1
Diesel	$154-155	+2

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■ OTHER

Gold (per troy oz)♣	$375.75	+1.25
Silver (per troy oz)♣	471.0c	+6.5
Platinum (per troy oz.)	$409.35	+6.10
Palladium (per troy oz.)	$154.75	+0.20
Copper (US prod.)	140.0c	+1.0
Lead (US prod.)	41.50c	
Tin (Kuala Lumpur)	15.17m	+0.16
Tin (New York)	282.5c	+1.0
Cattle (live weight)†	124.23p	-0.30
Sheep (live weight)†♠	122.06p	-0.43
Pigs (live weight)	81.10p	-5.06
Lon. day sugar (raw)	$375.6	+0.6
Lon. day sugar (wte)	$426.0	+2.3
Tate & Lyle export	£355.0	-1.0
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£134.5	
Wheat (US Dark North)	£165.0	
Rubber (Feb)♥	111.00p	+2.5
Rubber (Mar)♥	111.50p	+2.5
Rubber (KL RSS No1 Jul)	398.5m	+4.0
Coconut Oil (Phil)§	$835.0y	-27.5
Palm Oil (Malay.)§	$660.0u	-25.0
Copra (Phil)§	$409.0q	-18.0
Soyabeans (US)	£166.0	-7
Cotton Outlook 'A' Index	92.45c	+0.85
Wooltops (64s Super)	478p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan/Feb. u Feb. q Jan/Mar ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week ⊕ Prices are for previous day.

Spices
The first week in the new year showed more activity and a firmer price trend for most origins, reports Man Producten. White pepper offers from Sarawak and China almost completely disappeared and Indonesian shippers became extremely reluctant to offer. The value of Muntok white is estimated at about US$3,800 a tonne, cif, for January/February shipment. Black pepper prices steadily rose in most origins but especially in India where new crop arrivals were not yet available. Demand for black pepper is growing steadily. Black pepper f.a.q. was traded at $2,450 a tonne, cif, and Indian MG1 reached $2,550.

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 6	Jan 5	month ago	year ago
2246.4	2235.9	2185.8	1665.5

■ CRB Futures (Base: 1967=100)

Jan 5	Jan 4	month ago	year ago
235.84	235.22	228.51	227.72

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		6.500	09/04	91.9500	-	10.33	10.06	10.32
Belgium		7.750	10/04	94.8500	+0.050	8.54	8.42	8.27
Canada *		9.000	12/04	98.6500	+0.100	9.21	9.08	9.05
Denmark		7.000	12/04	88.6000	-0.020	9.10	9.12	8.66
France	BTAN	8.000	05/98	100.3750	+0.130	7.83	7.69	7.27
	OAT	7.500	04/05	94.0700	+0.510	8.37	8.23	7.96
Germany Bund		7.375	01/05	97.8200	-0.430	7.69	7.65	7.43
Italy		8.500	08/04	-	-	-	12.05	11.71
Japan	No 119	4.800	06/99	103.6400	-	3.95	3.84	3.90
	No 164	4.100	12/03	96.0080	-0.120	4.74	4.59	4.65
Netherlands		7.250	10/04	96.1500	+0.310	7.82	7.77	7.52
Spain		10.000	02/05	-	-	-	11.77	11.19
UK Gilts		6.000	08/99	90-11	+6/32	8.58	8.65	8.47
		6.750	11/04	87-16	+14/32	8.66	8.71	8.53
		9.000	10/08	102-30	+15/32	8.63	8.67	8.51
US Treasury *		7.875	11/04	100-02	-1/32	7.86	7.79	7.84
		7.500	11/24	95-24	+9/32	7.87	7.84	7.91
ECU (French Govt)		6.000	04/04	82.7300	+0.090	8.79	8.84	8.36

London closing. *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

ECONOMIC DIARY – FORWARD EVENTS

TOMORROW: Mr Douglas Hurd, foreign secretary, starts visit to Pakistan (until January 9). Mr William Perry, US defence secretary, visits Israel (until January 9). Fares on London Underground set to rise.

MONDAY: US consumer credit (November). Constitutional court to rule on admissibility of a request for a referendum to scrap what remains of Italy's proportional representation system of voting.

TUESDAY: Cyclical indicators for the UK economy (November-first estimate). Advance energy statistics (November). Housing starts and completions (November). House renovations (third quarter). US producer price index (November). Portuguese and Indonesian foreign ministers meet in Geneva under UN auspices for further exploratory talks on settling the problems of East Timor. Nordic Council holds conference in Helsinki. Experts from 37 countries meet in Washington to set up Middle East Development Bank. Sweden's 1995/96 budget to be announced. Mr Kenneth Clarke, chancellor of the exchequer, leaves for Vietnam (until January 12). British Labour Party holds seminar in European Parliament. Launch of National Power and PowerGen share offer marketing campaign. Parliament reconvenes after Christmas recess.

WEDNESDAY: Index of production (November). Index of production and construction for Wales (third quarter). June agricultural census 1994 - final results for Wales. US consumer price index (December); real earnings (December). Mr Bill Clinton, US president, meets Mr Tomiichi Murayama, Japanese prime minister, in Washington.

THURSDAY: Details of employment, unemployment, earnings, prices and other indicators. Census of agriculture and horticulture (June). Riksbank board meeting in Stockholm. Preliminary statements from TSB Group and Lonrho.

FRIDAY: Usable steel production (December). Balance of visible trade (October). Capital issues and redemptions (December). US retail sales (December).

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US INTEREST RATES

Lunchtime

Prime rate	8½
Broker loan rate	8½
Fed.funds	5¾
Fed.funds at intervention	-

Treasury Bills and Bond Yields

One month	5.52	Two year	7.67
Two month	5.69	Three year	7.83
Three month	5.95	Five year	7.90
Six month	6.66	10-year	7.90
One year	7.33	30-year	7.92

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	109.00	109.64	+0.34	109.88	109.00	153,817	127,741
Jun	108.28	108.94	+0.36	108.72	108.28	1,274	3,257
Sep	107.72	108.38	+0.36	107.72	107.72	2	1,022

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Feb	Calls Mar	Calls Jun	Puts Feb	Puts Mar	Puts Jun
110	0.58	1.01	-	0.48	1.43	2.48
111	0.21	0.60	0.96	0.91	-	3.06
112	0.05	0.33	-	1.60	-	-
113	-	0.16	0.43	-	-	-
114	-	0.09	0.26	-	-	-

Est. vol. total, Calls 20,605 Puts 22,539 . Previous day's open int., Calls 164,742 Puts 145,824.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	88.15	88.60	+0.33	88.68	88.05	137592	184802
Jun	87.60	88.01	+0.33	87.80	87.60	374	1616

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Feb	Calls Mar	Calls Apr	Calls Jun	Puts Feb	Puts Mar	Puts Apr	Puts Jun
8850	0.52	0.83	0.74	1.08	0.42	0.73	1.23	1.55
8900	0.30	0.60	0.55	0.85	0.70	1.00	1.54	1.84
8950	0.15	0.41	0.39	0.68	1.05	1.31	1.88	2.17

Est. vol. total, Calls 23627 Puts 10102. Previous day's open int., Calls 146173 Puts 91879

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	97.70	97.75	-0.23	98.20	97.28	14340	44759
Jun	-	97.15	-0.18	-	-	0	20

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
9750	1.68	2.46	1.43	2.81
9800	1.40	2.24	1.65	3.09
9850	1.16	2.02	1.91	3.37

Est. vol. total, Calls 1899 Puts 879. Previous day's open int., Calls 16257 Puts 15496

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF) (Jan 5)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	83.95	83.10	-0.90	84.07	83.05	47,383	48,380

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	100-13	101-03	+0-17	101-06	100-11	47322	91840
Jun	100-23	101-09	+0-17	100-25	100-23	103	310

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
101	1-19	2-18	1-13	2-00
102	0-52	1-52	1-46	2-34
103	0-31	1-26	2-25	3-08

Est. vol. total, Calls 1694 Puts 1316. Previous day's open int., Calls 25494 Puts 36288

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	79.40	79.82	+0.08	79.86	79.36	3,955	7,010

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	99-01	98-30	-	99-14	98-16	238,872	354,944
Jun	98-26	98-18	-	98-31	98-05	4,941	14,549
Sep	98-22	98-11	-	98-22	98-01	96	1,751

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	107.65	-	-	107.69	107.57	2439	0
Jun	106.94	-	-	106.95	106.90	40	0

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices	Fri Jan 6	Day's change %	Thu Jan 5	Accrued interest	xd adj yield
1 Up to 5 years	118.78	+0.09	118.67	1.63	0.51
2 5-15 years	139.53	+0.32	139.09	2.45	0.00
3 Over 15 years	155.21	+0.46	154.50	1.89	1.19
4 Irredeemables	175.86	+0.02	175.62	1.55	0.00
5 All stocks	136.31	+0.26	135.95	2.10	0.37

Index-linked	Fri Jan 6	Day's change %	Thu Jan 5	Accrued interest	xd adj yield
6 Up to 5 years	187.25	+0.05	187.15	1.37	0.00
7 Over 5 years	173.66	+0.19	173.34	0.86	0.00
8 All stocks	174.18	+0.18	173.88	0.90	0.00

Yields	Low coupon yield Jan 6	Jan 5	Yr ago	High	Low	Medium coupon yield Jan 6	Jan 5	Yr ago	High	Low	High coupon yield Jan 6	Jan 5	Yr ago	High	Low
5 yrs	8.67	8.69	5.66	8.95 (20/9*)	5.57 (19/1*)	8.66	8.69	5.88	9.01 (20/9*)	5.82 (19/1*)	8.87	8.89	5.99	9.16 (20/9*)	5.91 (19/1*)
15 yrs	8.54	8.56	6.36	8.89 (20/9*)	6.30 (20/1*)	8.67	8.71	6.47	9.05 (20/9*)	6.39 (20/1*)	8.90	8.93	8.70	9.25 (20/9*)	8.63 (20/1*)
20 yrs	8.50	8.54	6.48	8.81 (20/9*)	6.41 (20/1*)	8.67	8.71	6.53	8.74 (3/1)	6.42 (20/1*)	8.83	8.86	8.72	9.09 (20/9*)	6.65 (20/1*)
Irred.†	8.60	8.59	6.64	8.88 (20/9*)	6.52 (24/1*)										

Index-linked	Inflation rate 5% Jan 6	Jan 5	Yr ago	High	Low	Inflation rate 10% Jan 6	Jan 5	Yr ago	High	Low
Up to 5 yrs	4.15	4.14	2.20	4.16 (13/12*)	2.13 (4/1*)	2.94	2.91	1.38	3.01 (11/11*)	1.19 (16/2*)
over 5 yrs	3.88	3.89	2.94	3.99 (21/6*)	2.88 (20/1*)	3.70	3.71	2.77	3.79 (21/6*)	2.79 (20/1*)

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.
Base values: UK Gilts Indices 31/12/75 = 100.00 and Index-Linked 30/4/82 = 100.00. * 1994 highs and lows.

FT FIXED INTEREST INDICES

	Jan 6	Jan 5	Jan 4	Jan 3	Dec 30	Yr ago	High*	Low*
Govt. Secs. (UK)	90.86	90.61	90.80	90.77	90.87	106.65	107.04	89.54
Fixed Interest	109.32	109.35	109.45	109.53	109.55	131.06	233.87	106.50

* for 1994/5. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Jan 5	Jan 4	Jan 3	Dec 30	Dec 29
Gilt Edged bargains	85.6	85.4	79.8	51.5	60.7
5-day average	68.0	61.8	52.1	37.2	52.3

UK GILTS PRICES

	Notes	Yield Int	Yield Red	Price £	+ or –	1994/95 High	1994/95 Low
Shorts" (Lives up to Five Years)							
Treas 12pc 1995		11.84	-	100 13/32xd	—	107 3/32	100 13/32
Exch 3pc Gas 1990-95		3.03	6.12	99	—	103¼	97¼
10¼pc 1995		10.06	6.68	101⅞xd	—	107 13/16	101⅞
Treas 12¾pc 1995‡‡		12.17	8.87	104¾	-1/16	113⅝	104¾
14pc 1996		13.11	7.10	106 13/32xd	—	117 3/16	106 13/16
15¼pc 1996‡‡		13.92	7.47	109 15/32	-1/16	121 13/16	109 15/32
Exch 13¼pc 1996‡‡		12.36	7.54	107 3/16	—	117 23/32	107 1/16
Conversion 10pc 1996		9.69	8.03	103¼	—	112 3/16	103 3/16
Treas Cnv 7pc 1997‡‡		7.20	8.19	97 5/16xd	-1/16	100⅝	95⅝
Treas 13¼pc 1997‡‡		12.12	8.17	109 3/16xd	—	121 1/16	109 3/16
Exch 10½pc 1997		10.06	8.23	104 3/16	—	114 3/16	104 3/16
Treas 8¾pc 1997‡‡		8.68	8.36	100 13/32	—	110 3/16	100 3/16
Exch 15pc 1997		12.94	8.46	115⅞	—	131 13/32	115¾
9¾pc 1998		9.45	8.53	103⅛xd	—	114 15/32	102 13/16
Treas 7¼pc 1998‡‡		7.52	8.51	96⅜	—	106 3/16	95⅝
Treas 6¾pc 1995-98‡‡		7.11	8.49	95	—	102	93 13/16
14pc 1998-1		12.15	8.69	115 3/16	—	131 3/16	115 3/16
Treas 15½pc '98‡‡		12.74	8.56	121⅝	—	140 3/16	121 13/16
Exch 12pc 1998		10.84	8.67	110 23/32	+1/16	125 13/16	110 3/16
Treas 9½pc 1999‡‡		9.23	8.60	102 13/16xd	+1/16	116 3/16	101 13/16
Exch 12¼pc 1999		10.92	8.70	112 3/16	+1/32	128 1/16	111 23/32
Treas 10½pc 1999		9.85	8.63	106⅝	+1/16	121 3/16	105 3/16
Treas 8pc 1999‡‡		8.65	8.60	90 5/16xd	+1/32	101 21/32	89 13/16
Five to Fifteen Years							
Conversion 10¼pc 1999		9.66	8.67	106 1/16	+1/16	121 13/16	104 13/16
Treas Flg Rate 1999		-	-	99⅝	—	100 3/16	99 13/16
8pc 2000		8.23	8.58	97 3/16	+1/32	98⅝	96
Conv 9pc 2000‡‡		8.88	8.85	101⅜	+1/16	116 3/16	99⅞
Treas 13pc 2000		11.01	8.78	118⅛xd	+⅛	138 13/16	116 13/16
10pc 2001		9.48	8.79	105 15/32	+1/32	122 1/16	103½
7pc 2001‡‡		7.87	8.70	91¼	+⅛	109 3/16	88 13/16
9¾pc 2002		9.30	8.83	104⅞	+3/16	123 3/16	102 13/16
8pc 2003‡‡		8.37	8.74	95 3/16	+1/16	113 13/16	92⅞
10pc 2003		9.35	8.81	107	+¼	127 3/16	104½
Treas 11½pc 2001-4		10.27	8.93	111 13/16	+⅛	129 13/16	109 13/16
Funding 3½pc 1999-4		4.76	7.43	73 13/32xd	+1/32	88 3/16	69¾
Conversion 9½pc 2004		9.08	8.76	104 13/16	+13/32	125 3/16	101 13/16
Treas 6¾pc 2004‡‡		7.72	8.65	87 13/32	+⅛	105⅝	84 13/16
8½pc 2005		8.60	8.63	98⅞	+15/32	100 13/16	97
Conv 9½pc 2005		9.04	8.73	105 1/16	+13/32	126½	102⅛
Treas 12½pc 2003-5		10.34	9.02	120⅞	+7/16	143 7/16	118⅛
7¾pc 2006‡‡		8.29	8.64	93 13/32	+13/32	112 13/16	90⅛
8pc 2002-6‡‡		8.44	8.70	94 13/16	+3/16	111⅝	91 13/16
Treas 11¾pc 2003-7		10.21	9.05	115⅛xd	+7/16	136 1/16	112⅞
Treas 8½pc 2007‡‡		8.60	8.64	98 13/16xd	+15/32	119 3/16	95 13/16
13½pc 2004-8		10.69	9.03	127 13/16	+15/32	151 7/16	124 13/16
Treas 9pc 2008‡‡		8.75	8.62	102⅞	+⅝	124 15/32	99 13/16
Treas 8pc 2009		8.44	8.62	94 13/16	+3/16	115 3/16	91 13/16
Over Fifteen Years							
Treas 6 1/4pc 2010		7.75	8.48	80⅝	+13/32	98 3/16	77 13/16
Conv 9pc Ln 2011‡‡		8.69	8.58	103⅝xd	+15/32	126 13/16	100 13/16
Treas 9pc 2012‡‡		8.65	8.56	103⅞xd	+⅝	127⅝	100⅝
Treas 5½pc 2008-12‡‡		7.42	8.32	74 3/16	-1/16	93⅞	71¼
Treas 8pc 2013‡‡		8.41	8.51	95⅛	+15/32	117 13/16	92
7¾pc 2012-15‡‡		8.37	8.51	92 5/16xd	+⅝	114¾	89⅞
Treas 8¾pc 2017‡‡		8.55	8.50	102 3/16	+7/16	128¼	99 3/16
Exch 12pc 2013-17		9.23	8.72	129 15/32	+13/32	158½	125 3/16
Undated							
Consols 4pc		8.74	-	45 13/32xd	-1/32	59¼	44 13/32
War Loan 3½pc‡‡		8.55	-	40 15/32	+1/16	54 13/32	38 13/16
Conv 3½pc '61 Aft		6.03	-	58 1/16	—	71	55⅝
Treas 3pc '66 Aft		8.68	-	34 3/16	—	44⅝	33 13/16
Consols 2½pc		8.67	-	29 3/16	-⅛	38½	28 3/16
Treas. 2½pc		8.66	-	28⅞	-1/16	37⅝	27 13/16

	Notes	Yield (1)	Yield (2)	Price £	+ or –	1994/95 High	1994/95 Low
Index-Linked	(b)						
2pc '96	(67.9)	2.75	4.23	201 1/16	—	203⅝	197 13/16
4⅝pc '98‡‡	(135.6)	3.12	3.96	106 7/16	+⅛	113 7/16	106 3/16
2½pc '01	(78.3)	3.46	3.88	166⅛	+3/16	178⅝	163½
2½pc '03	(78.8)	3.55	3.89	162⅛	+3/16	173⅝	159 3/16
4⅜pc '04‡‡	(135.6)	3.56	3.88	108 3/16	+3/16	118⅝	107⅛
2pc '06	(69.5)	3.61	3.88	168¼xd	+¼	184 13/16	165 3/16
2½pc '09	(78.8)	3.66	3.87	152 13/16	+3/16	168 1/16	149⅛
2½pc '11	(74.6)	3.68	3.88	157 13/16	+3/16	175⅝	154⅛
2½pc '13	(89.2)	3.70	3.87	130 1/16	+3/16	146⅛	126⅝
2½pc '16	(81.6)	3.72	3.89	138 7/16xd	+¼	157 3/16	134⅝
2½pc '20	(83.0)	3.75	3.89	132 13/16	+¼	152 13/16	128½
2½pc '24‡‡	(97.7)	3.76	3.87	110⅛xd	+¼	129 3/16	105⅝
4⅛pc '30‡‡	(135.1)	3.78	3.81	109¼xd	+⅛	128 13/16	105⅝

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for April 1994: 144.2 and for November 1994: 145.3.

Other Fixed Interest

	Notes	Yield Int	Yield Red	Price £	+ or –	1994/95 High	1994/95 Low
Asian Dev 10¼pc 2009		9.31	9.02	110 3/16	—	138⅝	107 3/16
B'ham 11½pc 2012		9.66	9.41	119	—	142	115
Ireland Cap 8½pc '10		8.71	-	97⅝	—	116½	97½
9pc Cap 1996		8.98	-	100¼	—	103½	99¼
13pc '97-2		12.06	-	107¾	—	115¾	106
Hydro Quebec 15pc 2011		10.63	9.93	141 3/16	—	169 13/16	137 13/16
Leeds 13½pc 2006		10.51	-	128½	—	149¼	125
Liverpool 3½pc Irred		9.46	-	37	—	44¾	35¾
LCC 3pc '20 Aft		9.23	-	32½	—	40½	31¼
Manchester 11½pc 2007		9.96	9.50	115½	—	139¾	111¾
Met. Wtr. 3pc 'B'		4.30	7.88	69¾	—	78	66½
N'wide Anglia 3⅞pc 2021		-	4.56	132	—	150¼	129⅞
4⅛pc IL 2024		-	4.54	126¼	—	145¼	123⅞
Utd Mex States 16½pc 2008		11.87	-	139	—	159½	134⅞

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock.

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AUTHORISED UNIT TRUSTS

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
AIB Unit Trust Managers Limited (1000)F						
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783						
AIB Grafund American	2		154.8	163.6	-0.80	0.26
AIB Grafund Asia Pacific	6		81.52	87.14	-0.67	0.80
AIB Grafund Equity	6		193.8	204.6	-0.80	0.43
AIB Grafund Gilt	5		71.80	74.02	-0.05	6.77
AIB Grafund Japan	6		172.0	182.0	-2.60	0.00

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

INITIAL CHARGE: Charges made by a unit trust manager. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the buying price of units.

BUYING PRICE: Also called offer price. The price at which units are bought by investors.

SELLING PRICE: Also called bid price. The price at which units are sold back by investors.

TREATMENT OF MANAGER'S PERIODIC CHARGE: The letter C denotes that the trust deducts all or part of the manager's periodic charge from capital, contact the manager for full details of the effect of this course of action.

EXIT CHARGES: The letter E denotes that an exit charge may be made when you sell units, contact the manager for full details.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Association of Unit Trusts and Investment Funds, 65 Kingsway, London, WC2B 6TD. Tel: 071-831-0898.

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OTHER UK UNIT TRUSTS

M & G Securities Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Charibond (J)		103.75	-0.1	9.24
(Accum Units)		820.4	-0.2	9.24
NAACIF (J)		43.91	-0.2	3.09

Morgan Grenfell Investment Funds Ltd

Exempt Funds

	Selling Price	Buying Price	+ or -	Yield Gross
UK Equity † Jan 1	196.7	201.4	—	2.85
UK Small Co † Jan 1	648.7	680.9	—	2.86
Fixed Interest † Jan 1	114.9	115.7	—	6.54
Intl Bond Jan 1	132.7	133.9	—	6.04

Morgan Stanley International

	Selling Price	Buying Price	+ or -	Yield Gross
UK Exempt NAV	£1570.40		—	-
Overseas Exempt NAV	£1545.48			

Murray Johnstone UT Mngmt

Murray Exempt Funds

	Selling Price	Buying Price	+ or -	Yield Gross
American Exempt	59.78	62.11	-0.19	1.60
European Exempt	82.63	84.57	-0.16	2.11
Fixed Int Ex Jan 5	45.03	46.49		3.48
Japan Exempt	57.33	59.11	-0.50	0.64
Managed Ex Jan 5	55.80	57.29	-0.59	3.16
SE Asia Exempt	24.16	25.24	-0.41	1.45
Sm Cos Expt Jan 5	46.50	47.77		2.86
UK Eqty Ex Jan 5	45.58	47.34		3.84

NatWest Investment Management Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Smaller Cos Dec 12	£855.80	855.00	—	2.16

PDFM Unit Managers Ltd

J. Rothschild Fund Managers Ltd.

	Selling Price	Buying Price	+ or -	Yield Gross
Intl Exempt Accum	221.7	224.4	-0.60	2.12

Stewart Ivory & Co Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Saints PPP Dec 14	413.5	434.2	—	-

Closed to new business

Templeton Unit Trust Managers Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Exempt Trust Dec 12	97.04	100.05	—	1.44

Thornton Unit Managers Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Managed Exempt Sep 30	127.34	132.68	+2.22	2.8
(Accum Units)	145.78	151.84	+2.53	2.8

INSURANCES

AIG Life

22 Addiscombe Road, Croydon CR9 5AZ 081-680 7172

	Selling Price	Buying Price	+ or -	Yield Gross
Distribution	84.1	88.6	-0.3	7.8

AXA Equity & Law Life Assce

Amersham Road, High Wycombe 0494 463463

No FT, no comment.

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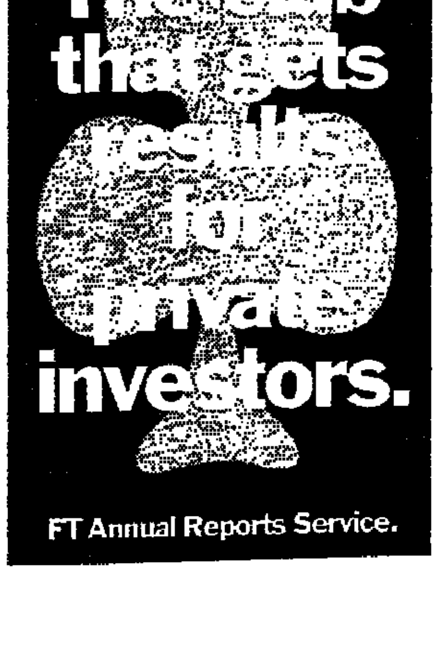

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	Selling Price	Buying Price	+ or -	Yield Gross
Teachers' Assurance Company Ltd				
Wessex Fields, Deansleigh Rd, Bournemouth 0202 435050				
Managed Fund	354.3	381.8	-1.10	-
Gilt & Fixed Int Fd	228.3	240.3	-0.10	-
Cash Fund	200.5	211.1	+0.10	-
Pensions Managed	187.8	197.5	-0.60	-
Pensions Cash	170.7	179.7	—	-
Tunbridge Wells Equitable				
Abbey Court, Tunbridge Wells 0892 515353				
Assurance & Pensions				
Capital & Income	436.00	461.00	—	-
CSI Regular	88.10	92.70	—	-
CSI Exempt	102.80	108.20	—	-
Prize Plan Exempt		259.30		
Do. Tonrolo		233.80		
Equities Bond Exempt		112.50		
Do. Standard		88.10		
Dominion Growth Exempt		141.70		
Dominion Growth		181.40		
Pens Managed Ordinary	174.50	183.70		
Pens Deposit Ordinary	168.70	196.50		
United Friendly Group				
42 Southwark Bridge Rd, London SE1 9HE 071-928 3433				
United Friendly Insurance Plc				
Life Funds				
UK Equity Ser 1	239.50	252.10	-1.30	-
Uk Fixed Int Ser 1	220.20	231.70	-0.20	-
UK Managed Ser 1	232.40	244.60	-1.10	-
Money Ser 1	184.10	193.70	—	-
Pension Funds				
UK Equity Ser 1	286.40	301.40	-1.60	-
UK Fixed Int Ser 1	240.00	252.60	-0.40	-
UK Managed Ser 1	267.90	282.00	-1.30	-
Money Ser 1	200.80	211.30	—	-
United Friendly Life Assurance Ltd				
Life Funds				
UK Equity Ser 1	238.70	251.30	-1.30	-
Uk Fixed Int Ser 1	219.50	230.80	-0.20	-
Uk Managed Ser 1	231.60	243.80	-1.10	-
Money Ser 1	183.50	193.10	—	-
Pension Funds				
UK Equity Ser 1	285.50	300.40	-1.60	-
UK Fixed Int Ser 1	239.20	251.80	-0.40	-
UK Managed Ser 1	267.00	281.10	-1.30	-
Money Ser 1	200.10	210.60	—	-
United Friendly Insurance/Life Assurance				
Series 2 Funds				
Fixed Interest	188.07	198.00	-0.22	-
Index Linked Gilts	185.64	195.40	-0.22	-
UK Equity Inc	318.09	332.72	+0.26	-
UK Equity Growth	238.89	251.46	+0.09	-
Nth American	158.26	166.61	-0.87	-
Far Eastern	456.42	480.44	-2.56	-
European	213.30	224.52	-0.41	-
Managed	255.78	269.24	-0.16	-
World Growth	214.44	225.72	-0.68	-
Money	195.38	174.08	+0.02	-
Pension Fixed Interest	239.72	252.33	-0.27	-
Pension Index Linked Gilts	200.00	210.52	-0.25	-
Pension UK Equity Inc	485.68	511.22	+0.49	-
Pension UK Equity Growth	317.57	334.28	+0.15	-
Pension Nth American	154.88	163.01	-0.79	-
Pension Far Eastern	700.31	737.16	-4.87	-
Pension European	212.43	223.60	-0.53	-
Pension Managed	346.27	364.49	-0.28	-
Pension World Growth	233.52	245.80	-0.93	-
Pension Money	208.08	219.00	+0.04	-
Wesleyan Assurance Society				
Colmore Circus, Birmingham, B4 6AR 021-200 3003				
Managed Fd	320.6	336.7	—	-
Pens Managed Fd	223.8	235.0	—	-
Windsor Life Assur Co Ltd				
Windsor House, Telford, Shropshire 0952 292929				
American	276.5	291.0	+4.0	-
Balanced Life	146.9	154.6	-1.5	-
Balanced Accum (3)	164.7	173.4	-1.8	-
Deposit	273.9	288.3	+0.1	-
Far East	404.8	426.1	+1.5	-
Fully Man Acc Pen (2)	718.0	755.8	-7.1	-
Fully Man Acc Pen (3)	724.6	762.7	-7.1	-
Gilt	361.2	380.2	-4.0	-
Woolwich Life Assurance Co Ltd				
1-3 Gueensway, Redhill, Surrey RH1 1NH 0737 778800				
Managed Fd		154.8	-0.9	-
Zurich Life Assurance Co Ltd				
11 Guildhall Walk, Portsmouth PO1 2LR 0705 822200				
UK Managed	160.2	168.7	+0.2	-
International	161.9	170.4	-1.0	-
Swiss	233.0	245.3	-0.6	-
UK Equity	167.3	176.1	+0.2	-
UK Gilt & Fixed Int	139.1	146.4	-0.2	-
Security	139.5	146.8	—	-
Guaranteed Deposit	129.2	136.0	—	-
Pens UK Balanced	97.7	102.9	+0.1	-
Pens International	93.9	98.9	-0.5	-
Pens Swiss	107.6	113.2	-0.6	-
Pens UK Equity	98.7	103.9	+0.1	-
Pens UK Gilts & Fixed Interest	91.1	95.9	-0.1	-
Pens Security	99.6	104.8	—	-
Johnson Fry Asset Managers Plc				
20 Regent Street, London, SW1Y 4PZ 071-839 5688				
JF M&G Managed WPF Lo.	235.1	247.0	—	-
JF Protected Gwth Bond		268.1		
JF Recovery	112.3	118.2	—	-
JF M&G WPF	203.5	213.8		
Knight Williams & Company Ltd				
161 New Bond Street, London W1Y 0LA 071-408 1138				
KW Global Inc & Gth	161.2	169.6	-0.5	-
KW Principal Portfolio	139.0	146.3	-0.5	-
KW Cautious Portfolio	119.8	126.1	-0.4	-
KW British Portfolio	131.1	138.0	-0.1	-
KW Cautious British	128.4	135.1	-0.4	-
KW High Risk Portfolio	188.0	197.8	+0.2	-
KW Income Distribution	99.9	105.1	+0.1	-
KW International	137.0	144.2	-0.5	-
KW Investment Trust	147.5	155.2	-0.2	-
KW Albany	145.7	153.3	-0.4	-
KW Albany (Inti)	113.5	119.5	-0.4	-
KW Henderson	121.8	128.3	-0.4	-
KW M&G	166.5	173.9	-1.0	-
KW M&G (cap)	86.10	90.50	-0.8	-
KW Scottish Provident (Ind)	150.4	158.4	-0.5	-
KW Scottish Provident (cap)	140.8	148.3	-0.5	-
KW Scottish Provident (acc)	108.3	114.1	-0.4	-
KW Global Inc & Gth Cap	143.0	150.5	-0.4	-
KW Offshore Portfolio		122.9	+0.016	-
KW Haven Portfolio	99.7	104.9	—	-
KWPI Life Int Global Inc & Gth	£1.354	1.354	—	-
KWPI Life Int Secure Inc & Gth	£1.134	1.194	—	-
Macartney & Dowie Invest Mngt Plc				
49 Castle Green Rd, Brentwood, Essex 0277 374036				
Mngd Fund (SK)	181.2	190.70	-0.3	-
Mngd Portfolio (Pen)	182.3	191.9	—	-
Mngd Preferec (M&G)	164.0	172.3	-0.5	-
Worldwide Inc (PC)		129.80	-0.50	-
Pennfree				
Managed Fund (SK)	258.6	272.2	-0.4	-
Ratemt Sirgy (ScEq)	90.4	95.2	—	-
Offshore Funds				
Universal (Abs)		153.8	—	0.0
Marsh Financial Management PLC				
4-14 Mount Sion, Tunbridge Wells 0892 515510				
Managed Pension Portfolio	129.8	136.3	-0.8	-
Cautious Pension Portfolio	122.8	129.3	-0.3	-
Managed Pension Fund	86.6	91.2	-0.3	-
Roxborough Financial Management Ltd				
6 Broad St Pl, Blomfield St, EC2M 7JH 071-628 9222				
Managed Fd (MI)	137.3	144.5	-0.8	-
Discretionary Fd (MI)	195.1	205.3	-0.8	-
Multi-Trust Fd (SIGD)	128.8	135.5	+0.3	-
Master Fund (SM)	177.2	186.5	—	-
Charles Stanley & Co Ltd				
25 Luke Street, London EC2A 4AR 071-739 8200				
Ch Stanley RHL Fd	490.7	516.6	—	-
UFC				
Saxon House, Heritage Gate, Derby 0332 383399				
UFC Secure (RH)	132.1	139.1	—	-
UFC Growth (RH)	117.5	123.7	—	-
UFC AOSS (RH)	249.9	263.1	—	-
J. D. Ward Financial Services Ltd				
20 Little Britain, London EC1A 7DH 071 726 4057				
J.D. Ward Mngd Pens	174.8	184.0	-1.4	-
Albany Life Acc	252.4	265.7	-1.8	-
Albany Worldwide Pens	352.3	370.8	-2.1	-
M&G Tdpos Pen Acc	253.5	268.3	-1.5	-
PEPC Wld Growth (Pen Acc)	248.4	262.5	-1.3	-
Scottish Equitable Pension	160.8	169.3	-0.9	-

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	5.69	-	5.71	3-Mth
Deposits Over £1 million	5.80	-	5.82	3-Mth
Deposits Over £2 million	5.79	-	5.82	3-Mth
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.70	-	5.82	3-Mth
Cent. Bd. of Fin. of Church of England‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.75	-	5.88	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
Allied Trust Bank Ltd				
25 Dowgate Hill, London, EC4R 2AT 071-626 0879				
FOMMA (£2,001+)	6.54	4.90	6.54	Yearly
TREMMA (£2,001+)	5.85	4.39	5.85	Yearly
TOMMA (£2,001+)	5.84	4.23	5.84	Yearly
OMMA (£2,001 +)	5.33	3.99	5.33	Yearly
HICA (£2,001 +)	4.00	3.00	4.07	Mth
HISCA (£2001+)	4.00	3.00	4.07	Mth
Premier TESSA	6.87	5.15	6.87	Yearly
SIMMA (£2,001-£9,999)	6.70	5.02	6.70	Yearly
SIMMA (£10,000+)	6.96	5.22	6.96	Yearly
American Express Bank Ltd				
Sussex House, Burgess Hill RH15 9AQ 0444 232444				
High Performance Cheque Account				
£500-£999.99	1.00	0.75	1.00	Mth
£1,000-£4,999.99	3.50	2.63	3.56	Mth
£5,000-£9,999.99	3.75	2.81	3.82	Mth
£10,000-£24,999.99	4.00	3.00	4.07	Mth
£25,000-£49,999.99	4.25	3.19	4.33	Mth
£50,000+	4.75	3.56	4.85	Mth
Arbuthnot Latham & Co Ltd				
30 City Road, London EC1Y 2AY. 071-628 6070				
Treasury Account - for professional advisers				
£25,000-£49,999	4.75	3.5625	4.85	Mth
£50,000 or more	5.00	3.75	5.12	Mth
Mobility Inc Acc - for personal and business clients				
Up to £9,999	3.25	2.4375	3.30	Mth
£10,000 - £24,999	4.00	3.00	4.07	Mth
£25,000 - £49,999	4.50	3.375	4.59	Mth
£50,000 or more	4.75	3.5625	4.85	Mth
Money Market quotations - please telephone				
Bank of Ireland High Interest Cheque Acc				
36-40 High St, Slough SL1 1EL 0753 516516				
£10,000 +	4.000	3.000	4.060	Qtr
£2,000-£9,999	3.00	2.250	3.034	Qtr
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£9,999	4.00	3.00	4.07	Mth
£10,000-£24,999	4.50	3.38	4.59	Mth
£25,000-£249,999	4.75	3.56	4.85	Mth
£250,000+	6.00	4.50	6.17	Mth
Barclays Select				
PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	4.75	3.56	4.75	Yearly
£10,000-£24,999	5.25	3.94	5.25	Yearly
£25,000-£49,999	5.50	4.13	5.50	Yearly
£50,000-£99,999	5.60	4.20	5.60	Yearly
£100,000+	5.75	4.31	5.75	Yearly
Barclays Prime Account H.I.C.A.				
Wavertree Boulevard, Liverpool 051-254 8236				
£1,000-£2,499	2.50	1.88	2.52	Qtr
£2,500-£9,999	2.75	2.06	2.78	Qtr
£10,000-£24,999	3.25	2.44	3.29	Qtr
£25,000+	3.75	2.81	3.80	Qtr
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2 071-606 9833				
HICA	4.75	3.56	4.86	Qtr
Prof Demand A/c	4.75	3.56	4.80	Qtr
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	5.75	4.3125	-	Yearly
Cater Allen Ltd				
20 Birchin Lane, London EC3V 9DJ 071-623 3070				
HICA/HIMA	4.37	3.28	4.46	Mth
CHICA/MASTER PLUS	4.25	-	3.18	-
Fixed £50,000+	5.56	-	5.71	Mth
Overnight £50,000+	4.37	-	4.46	Mth
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH. 071-248 4000				
£2,500-£19,999	4.50	3.38	4.58	Mth
£20,000-£49,999	4.75	3.56	4.85	Mth
£50,000-£99,999	5.00	3.75	5.12	Mth
£100,000+	5.25	3.94	5.38	Mth
$5,000-$49,999	3.50	2.63	3.56	Mth
$50,000-$99,999	4.00	3.00	4.07	Mth
$100,000-$199,999	4.25	3.19	4.33	Mth
$200,000+	4.50	3.38	4.59	Mth
Many other currencies are available - for rates please phone us				
Clydesdale Bank Flexible Solution Acc				
30 St Vincent Place, Glasgow G1 2HL 041-248 7070				
£10,000-£49,999	4.00	3.00	4.06	Qtr
£50,000-£249,999	4.25	3.19	4.32	Qtr
£250,000 and over	5.00	3.75	5.09	Qtr
The Co-operative Bank				
PO Box 300, Skelmersdale, Lancs 0345 252000				
TESSA	5.75	-	-	Yearly
Pathfinder - Card Based Current Account				
All Balances	5.31	3.98	5.44	Mth
Investment 90 - 90 Day Notice Savings				
£50,000+	5.56	4.17	5.64	6-Mth
£25,000-£49,999	4.81	3.61	4.87	6-Mth
£10,000-£24,999	4.51	3.33	4.36	6-Mth
£5,000-£9,999	3.31	2.48	3.34	6-Mth
Top Tier - Instant Access Savings				
£50,000+	3.50	2.63	3.53	6-Mth
£10,000-£49,999	3.00	2.25	3.02	6-Mth
£5,000-£9,999	2.00	1.50	2.01	6-Mth
Business Deposit - Instant Access				
£250,000+	4.37	3.28	4.42	6-Mth
£50,000-£249,999	3.31	2.48	3.34	6-Mth
£10,000-£49,999	3.06	2.30	3.08	6-Mth
£500-£9,999	2.62	1.97	2.64	6-Mth
30-90 day notice available Tel 0345 213213				
Coutts & Co				
440 Strand, London WC2R 0QS 071-753 1000				
Coutts Composite Account for clients money				
15 Lombard Street, London EC3V 9AU 071-623 1010				
Rates negotiable up to	5.625	-	-	-
Dao Heng Bank (London) PLC Premier Acc				
10 Angel Court, London EC2R 7HP 071-600 1616				
£20,000+	5.50	4.13	5.61	Qtr
£10,001-£20,000	4.50	3.37	4.58	Qtr
£2,500-£10,000	4.00	3.00	4.06	Qtr
Savings Account	3.00	2.25	3.03	Qtr
Davenham Tst Plc-Davenham 500 Acc				
8 St John St, Manchester M3 4DU 061-832 8484				
£10,000+ 6 Mths	8.25	6.1875	8.42	6-Mth
£10,000+ 1 Year	8.75	6.5625	8.75	Yearly
£5,000 + Fixed Rate Bd 3 Yrs	9.00	6.75	8.63	-
Fidelity Money Market Account				
Fidelity Brokerage Services Ltd, Kingswood Place, Tadworth Surrey, KT20 6RB				
£1-£999	1.00	0.75	1.00	Qtr
£1,000-£9,999	4.00	3.00	4.06	Qtr
£10,000-£24,999	4.50	3.375	4.58	Qtr
£25,000-£99,999	5.00	3.75	5.09	Qtr
£100,000+	5.20	3.90	5.30	Qtr
£500,000+ Money Market Rates on request				
Halifax Bldg Soc Asset Reserve Cheque Acc				
Trinity Road, Halifax HX1 2RG 0422 335333				
Rates for personal customers				
£50,000 and above	6.20	4.65	6.35	Qtr
£25,000 to £49,999	5.85	4.39	5.93	Qtr
£10,000 to £24,999	5.50	4.13	5.61	Qtr
£5,000 to £9,999	4.85	3.64	4.94	Qtr
Rates for non-personal customers				
£50,000 and above	5.60	4.20	5.72	Qtr
£25,000 to £49,999	5.10	3.83	5.20	Qtr
£10,000 to £24,999	4.85	3.64	4.94	Qtr
£5,000 to £9,999	4.60	3.45	4.68	Qtr
Julian Hodge Bank Ltd				
10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Deposit Acc	7.25	5.44	7.38	-
3 Mth Fixed Rate Deposit Acc	6.75	5.06	6.82	-
1 Mth Fixed Rate Deposit Acc	6.50	4.88	6.70	-
Humberclyde Finance Group				
5 Bartley Way, Hook, Basingstoke 0256 760000				
£50,000+	5.75	4.31	5.88	Qtr
Leopold Joseph & Sons Limited				
29 Gresham Street, London EC2V 7EA 071-588 2323				
Treasury High Interest Cheque Account				
£25,001-£100,000	5.250	3.9375	4.8354	Qtr
£100,001 plus	5.500	4.1250	5.0846	Qtr
Kleinwort Benson Private Bank				
(a division of Kleinwort Benson Investment Management Ltd)				
PO Box 2500, Bournemouth, BH1 3BY 071-287 1586				
H.I.C.A. (£2,500+)	5.125	3.84	5.23	-
Lloyds Bank - Investment Account				
71 Lombard St. London EC3P 3BS 0272 433372				
£100,000 and above	5.75	4.31	5.75	Yearly
£50,000+	5.40	4.05	5.40	Yearly
£25,000+	5.20	3.90	5.20	Yearly
£10,000+	5.00	3.75	5.00	Yearly
Midland Bank plc				
PO Box 2, Sheffield 071 788 6430				
Exchequer Acc £5000+	4.25	3.18	4.25	Yearly
£10,000+	5.00	3.75	5.00	Yearly
£25,000+	5.50	4.12	5.50	Yearly
£50,000+	5.75	4.31	5.75	Yearly
TESSA	5.75	-	5.75	Yearly
Nationwide Bldg Soc - Businessinvestor				
Business High Interest Cheque Account				
Pipers Way, Swindon L SN38 1BW 0800 335598				
£2,000-£4,999	3.60	2.70	3.65	Qtr
£5,000-£9,999	4.10	3.08	4.18	Qtr
£10,000-£24,999	4.60	3.45	4.68	Qtr
£25,000-£49,999	5.10	3.83	5.20	Qtr
£50,000+	5.50	4.13	5.61	Qtr
Portman Bldg Soc Prestige Cheque Account				
Richmond Hill, Bournemouth, BH2 6EP 0800 983983				
£50,000+	5.50	4.13	5.50	Yearly
£30,000-£49,999	5.00	3.75	5.00	Yearly
£20,000-£29,999	4.50	3.38	4.50	Yearly
£10,000-£19,999	3.50	2.63	3.50	Yearly
£2,500-£9,999	2.50	1.88	2.50	Yearly
Rea Brothers Limited, Bankers				
Aldermans's Walk, London EC2M 3XR 071-623 1155				
Professionals' Client Account	5.75	4.31	5.90	Mth
Professionals' Office Account	5.25	3.93	5.38	Mth
(£5,000+ Initial Access Chq A/c.)	5.25	3.93	5.35	Qtr
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE. 031-523 8302				
£50,000+	4.25	3.19	4.32	Qtr
£25,000 - £49,999	4.00	3.00	4.06	Qtr
£10,000 - £24,999	3.25	2.44	3.29	Qtr
£5,000 - £9,999	2.50	1.88	2.52	Qtr
£2,000 - £4,999	2.00	1.50	2.02	Qtr
Save & Prosper/Robert Fleming				
16-22 Western Rd, Romford RM1 3LB. 0800 282101				
Client Account	4.63	3.47	4.73	Daily
TESSA Fixed 1 Year	6.55	-	6.75	Mth
TESSA Variable	5.84	-	6.00	Mth
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS 071-382 3301				
Special Acc	4.750	3.56	4.85	Mth
£10,000 and above	5.000	3.75	5.12	Mth
Fixed Deposits available - rates on request				
United Dominions Trust Ltd				
PO Box 92, Herts, EN4 0DY 081-447 2438				
Capital Plus Cheque Account				
£1,000+	5.75	4.31	5.88	Qtr
United Trust Bank Ltd				
1 Great Cumberland Pl, London W1H 7AL 071-258 0094				
£10,000-90 day notice	7.75	5.81	7.98	3-Mth
£10,000-180 day notice	8.50	6.38	8.68	6-Mth
£5,000 - 1 Year	8.75	6.56	-	Yearly
Western Trust High Interest Cheque Acc				
The Moneycentre, Plymouth PL1 1SE 0752 224141				
£15,000+	5.75	4.31	5.88	Qtr
£5,000-£14,999	5.50	4.13	5.61	Qtr
£1,000-£4,999	5.25	3.94	5.35	Qtr

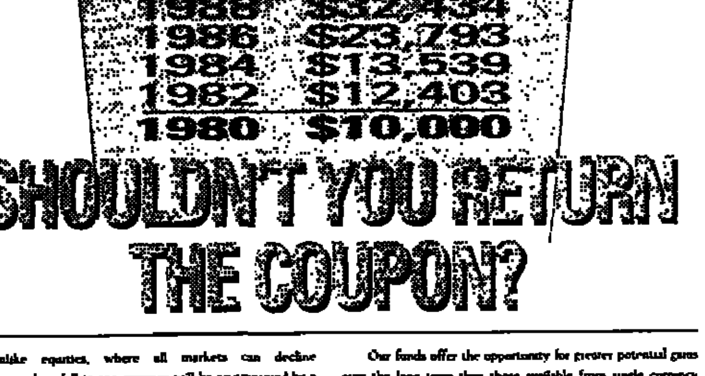
NOTES- Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate' Int Cr: Frequency at which interest is credited to the account.

MANAGEMENT SERVICES

	Selling Price	Buying Price	+ or -	Yield Gross
Capital Trust Financial Management				
6-10 Brook St, Coleraine Co Londonderry 0265 58500				
Investment Portfolio	204.4	215.2	-0.5	-
Executive Pension	163.7	172.4	-1.7	-
Managed Growth	122.0	128.2	-0.5	-
DBS Financial Management Ltd				
Independence Hse, Holly Bk Rd, Huddersfield 0484 422224				
DBS Personal Portfolio				
Adventurous	86.9	91.4	-0.3	-
Balanced	85.0	89.4	-0.2	-
Cautious	82.5	86.8	-0.2	-
Deposit	97.9	103.0	—	-
Emerging Markets	75.3	79.2	-0.8	-
Friendly Endeavour	89.8	94.5	-0.7	-
Fairmount Trust Plc				
Fairmount House, Leatherhead, KT22 7AY 0372 370000				
Secure	124.00	130.60	—	-
Growth	134.70	141.80	—	-
Pension Secure	111.90	117.80	—	-
Pension Growth	124.80	131.20	—	-
Pension International	133.20	140.20	—	-
Foster & Braithwaite Ltd				
3 London Wall Bldgs. London EC2M 5AB 071 588 6111				
Managed Pension		64.1		
Managed Inv Tst Pension		79.0		
Horstmaster Financial Services(Pty) Ltd				
HFS Chl Mngd Inc & Secs Acc	43.10	46.40	—	-
HFS Chl Mngd Inc & Secs Cap	39.80	42.80	—	-
HFS Chl Intl Mgd Acc	79.5	84.5	+1.4	-
HFS Chl Intl Mgd Cap	58.0	62.4	+0.8	-
IPS Capital Management PLC				
18-21 Queen Sq, Bristol BS1 4NH 0272 226677				
Recommended Ptflo		136.6	-0.4	-
Recommended Ptflo Acc	144.8	152.8	-0.5	-
Select Equities P'folio		139.3	-0.4	-
Private Portfolio(z)	179.8	189.2	-0.1	-
International Service Group Ltd				
Rua de Avela 589A, 2750 Cascais, Portugal 3511 486 9637				
Private Managed Portfolio	159.8	168.2	—	-

MANAGED CURRENCY FUNDS

USS10K RETURNED USS51K.



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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

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	Selling Price	Buying Price	+ or -	Yield Gross
Credis Investment Funds - Contd.				
[illegible]				
Credit Commercial de France				
[illegible]				
Credit Lyonnais Rouse (Bermuda) Ltd				
[illegible]				
Daiwa Japan Gen Fund				
Daiwa Japan Gen	$10.24	10.39	-0.11	-
Daiwa Japan Small Equity Fd (n)				
Daiwa Japan Small Eq	$12.34		-0.12	-
Dean Witter World Wide Invest. Tst SA				
NAV	$27.10		—	
The Dragon Fund Sicav				
NAV Dec 28	$66.39		—	
Espirito Santo Investment Mgmt (SICAV)				
Southern European Fd	$7.07		+0.02	
Europe Value Fund (u)				
NAV	$13.55		-0.05	-
EurOptec (n)				
[illegible]				
Fidelity Intl Inv Mngt (Luxembourg) SA				
New Europe Fd	$13.88	14.34	+0.02	0.36
Fidelity Investment (CI) Ltd				
[illegible]				
The First Korea Smaller Companies Fund				
NAV Nov 30	$15.58		+0.51	-
Fleming Group				
[illegible]				
Foreign & Colonial Emerging Markets Ltd				
[illegible]				
Framlington Russian Investment Fund				
NAV	$9.88		—	-
Gartmore Luxembourg S.A.				
Phoenix Fd	$17.50		—	-
Global Funds Management S.A. (u)				
World Frontier	$9.97		—	-
Global Futures & Options SICAV				
FFM Intl Bd Program Dec 30	SFr98.20		+1.01	-
H.C.M. HYPO Capital Mgt Luxembourg SA				
[illegible]				
HSBC NAPT Luxembourg SA				
Nikko Asia Pacific Tst NAV	$13.44		-0.18	-
HTR India Fund – SICAV				
HTR India Jan 3	$8.14	8.57		-
International Bond Trust				
CCIC A NAV	$10.70		-0.01	-
International Specialty Fund (u)				
Intl Specialty	$7.55		—	-
INVESCO International Limited				
[illegible]				
InverSud Investment Fund SICAV				
[illegible]			+51.00	-
Investissements Atlantiques SA				
NAV Dec 27		36.85		-
Kleinwort European OIFd Management SA				
[illegible]				
Lloyds Bank Luxembourg (u)				
[illegible]				
Lombard Odier Invest (u)				
[illegible]				
MFS International Funds				
[illegible]				
Merrill Lynch Asset Management				
[illegible]				
Morgan Stanley Sicav				
[illegible]				
Murray Universal, Sicav				
[illegible]				
NICAM Asia Pacific Umbrella Fund				
[illegible]				
Nikko Asia Convertible Bond Fund				
Nikko Asia Conv Bond NAV	$9.09		—	-
Nikko Bank (Luxembourg) S.A.				
[illegible]				
Nomura Asian Infrastructure Fd SICAV				
NAV	$10.76		-0.05	-
Nomura Rosenberg Alpha Fund Mark II				
[illegible]			-0.05	-
Pacific Basin Growth Fund				
[illegible]				
Rosenberg Global Mngt Co SA (u)				
[illegible]				
Rosenberg Management SA (u)				
[illegible]				
Rosenberg US Japan Mngmt Co SA (u)				
[illegible]				
Edmond de Rothschild Group				
[illegible]				
SCI/TECH SA				
SCI/Tech NAV	$19.17		-0.05	-
Schroder (Switzerland) Fund				
[illegible]				
Scudder, Stevens & Clark				
[illegible]				
Societe Generale Group				
[illegible]				
State Street Luxembourg SA				
[illegible]				
Svenska Securities				
Invest Selection Fd NAV	$61.59		—	-
Swiss Bank Corporation				
[illegible]				
Target International Ltd				
Intl Growth Fd	$23.29		-0.14	-
Templeton Emerging Asia				
NAV	$10.77		—	-
Templeton Worldwide Investments				
[illegible]				
Tower Fund				
[illegible]				
Transworld Bond Trust				
NAV	$11.69		-0.03	-
US Pacific Stock Fund (u)				
NAV	$18.57		—	-
Unico Financial Services SA Lux				
[illegible]				
"WINTERTHUR" Fund Mngmt Co (Lux) SA				
[illegible]				
World Bond Fund–SICAV (z)				
World Bond Fund	$29.77	31.34	-0.03	0.00
World Trust Fund				
Shares NAV	$14.71		+0.06	-
Yamaichi Advanced Technology Fund				
Advanced Tech	$24.09		—	-
Century Life International				
[illegible]				
Eagle Star Intl Life				
[illegible]				
Equitable Life (International)				
[illegible]				
Eurolife Assurance Group				
[illegible]				
Finexco International Ltd				
[illegible]				
Friends Provident International				
[illegible]				
Hansard International Ltd.				
[illegible]				
Isle of Man Assurance Ltd				
Holiday Property Bond	£0.74	0.73		
Labrow International Group				
[illegible]				
Old Mutual International (Guernsey) Ltd				
[illegible]				
PanEuroLife societe anonyme				
[illegible]				
Premier Life				
[illegible]				
Professional Investment Consultants				
[illegible]				
Royal Life International				
[illegible]				
Royal Skandia Life Assurance Ltd (z)				
[illegible]				
Scottish Provident Intl Life Ass Ltd				
[illegible]				
Sun Alliance International Life				
[illegible]				
Sun Life International (IOM) Ltd				
[illegible]				

OFFSHORE INSURANCES

	Selling Price	Buying Price	+ or -	Yield Gross
AXA Equity & Law Intl Life Assce Co				
[illegible]				
Albany International Assurance Ltd				
[illegible]				
Allied Dunbar International Assce Ltd (z)				
[illegible]				
CMI Insurance Co Ltd				
[illegible]				

OTHER OFFSHORE FUNDS

	Selling Price	Buying Price	+ or -	Yield Gross
ATSP Management Ltd				
NAV Nov 30	$38.62		—	-
Abtrust Fund Mngrs (Guernsey) Ltd				
[illegible]				
Adig Investment				
[illegible]				
Aetna Malaysian Growth Fd (Cayman) Ltd				
NAV Jan 3	$14.1268		—	-
Alliance Capital				
[illegible]				
Allied Dunbar International Fund Mngrs (1600)F				
ADI Emerging Asia	$8.7834	0.8374	-0.0084	
Alpha Fund Management Ltd				
[illegible]				
Arnhold and S. Bleichroeder, Inc				
[illegible]				
Asia Pacific Capital Strategies Fund				
NAV Jan 3	$9.45		+0.35	-
Asia Pacific Securities Corp Ltd				
Indian Smaller Cos Fd Ltd	$10.23		—	
Asiainvest Consultants Ltd				
South East Asia (c)	$11.35	11.972	+0.12	-
Asian Convertibles & Income Fd (Cayman)				
NAV Jan 5	$14.68		—	
Atlantic Investment Fund Ltd				
Class A Shares NAV Nov 30	$9.78		—	
Aurum Funds				
[illegible]				
BEA Associates				
[illegible]				
BZW Investment Management (HK) Ltd				
[illegible]				
Julius Baer Bank & Trust Co Ltd				
[illegible]				
Bank Von Ernst & Cie AG				
[illegible]			-0.14	
Banque de Gestion Privee, Paris				
[illegible]				
Bque Fr Serv & Cr/Europ Inv Mgt Ltd				
[illegible]				
Barclays Diversified Fund				
NAV	Pta897435.19		—	-
Baring International Group				
[illegible]				
The Batavia Fund Ltd				
NAV Dec 31	$16.00		—	-
Bear, Stearns International Ltd				
Emerging Mkt Fixed Inc Jan 3	$6.81	7.12	—	-
Bermuda Capital Company Ltd				
NAV Dec 28	$36.36		—	-
Bermuda Intl Invest Mgmnt Ltd				
[illegible]				1.23
Blairmore Holdings Inc				
NAV Dec 30	$3.06		—	-
Bordier Funds Ltd				
Korea Fd NAV Jan 5	$75.75		—	-
Bridge Management Ltd				
Nippon Fd	$95.27	99.54	—	-
Buchanan Fund Ltd				
[illegible]				
Butterfield Management Co Ltd				
[illegible]				5.507
CA Securities Investment Fund Mamgt Ltd				
Hung Govt Debt Dec 9	HUF11947		—	-
CDC International				
[illegible]	FFr180337.09		—	-
Camco Investment Management Ltd				
Sesterium-UCEFEM	$10.79	11.17		
Capital International				
Capital Int. Fund	$130.43		—	-
Cathay Clements (Holdings) Limited				
NAV Sep 30	HK$7.74		—	-
Chameleon Funds Limited				
UK Equity Fund	£135.20	137.09		-
Chescor Indiao Investment Company Ltd				
Smaller Cos Fndia Dec 23	$9.50		—	-
The China Fund				
NAV Dec 30	$8.53		—	-
The China Invest & Development Fd Ltd				
NAV Jan 3	$10.27		-0.02	-
Citizens Investment Trust Mgt Co Ltd				
[illegible]				
Coast Asset Management Corporation				
[illegible]				
Columbus Asset Management Ltd				
[illegible]				
Cowen Enterprise Fund N.V.				
[illegible]				
Craig Drill Capital Ltd				
NAV Oct 31	$142.61		—	-
Creditanstalt Investment Co (Prague) ss				
[illegible]				
Credis Investment Funds				
[illegible]				
Credit Lyonnais Intl Asset Mgmt (HK) Ltd				
[illegible]				
Credit Lyonnais Rouse (Bermuda) Ltd				
Systematrend Ltd	$18.053		—	-
Cresvale (Guernsey) Ltd				
[illegible]			-0.08	
Crosby Asset Management Ltd				
[illegible]			-0.15	
Crystal Corporation N.V.				
Shs Class A/B Dec 23	$76.56	78.57	—	-
DWS Deutsche Ges. F. Wertpapiersp				
[illegible]				
Daehan Investment Trust Co Ltd				
[illegible]				
Daiwa APT Japan Fund				
Daiwa APT Japan	$8.4729	8.8194	—	-
Daiwa Intl Capital Management (H.K.) Ltd				
[illegible]			+0.01	
Daiwa International Capital Mngt (Sgp) Ltd				
DICAM Malaysian Eq Jan 3	$9188.55		—	-
Daiwa Japanese Equity Warrant Fund				
Jap Eqty Wrnt Jan 4	$259.12	266.00	—	-
Delta Lloyd Bank Fund Management				
Jade Fonds	Dfl204.80		-0.20	0.09
Deutscher Investment–Trust				
[illegible]				
Dubin & Swieca Asset Management				
[illegible]				
Dynasty Fund Ltd				
NAV Dec 31	$1.45		—	-
EGS Overseas Fund Ltd				
NAV Dec 23	$1373.00	1487.00	—	-
Eagle G–7 Mexico Fund Ltd				
NAV Oct 31	$1.02		—	-
East Asia Hamon Asset Mngt Ltd				
Selected Asian P'folio	$21.36	21.97	—	-
East Europe Development Fund Ltd				
[illegible]				
Emcor Limited				
Diversified Currency Portfolio	$375.36	394.87	—	-
Emerging Markets Management				
[illegible]				
Enigma Investments Ltd – Cayman				
[illegible]				
The Environmental Investment Co Ltd				
NAV Jan 3	$9.30		—	-
Ermitage Group				
[illegible]				
Europe 1992				
NAV	$10.70		-0.05	-
S.G. Europe Obligations SA				
Europe-Obligations	$100.95		—	-
The Exponential Offshore Fund Ltd				
NAV Nov 30	$100.39		—	-
FFM / Swiss Financial Services				
Multiple Advisory Ltd	$1482.00		—	-
Fairbanks Global Capital Fund Ltd				
NAV Aug 31	$51582.14		—	-
Ferrell Management Ltd				
Ferrell Global Trading Ltd Dec 27	$8.12		—	-
Fidelity Investments				
[illegible]				1.57
Financiere Atlas				
[illegible]				
Firebird Capital Management				
Overseas Ltd NAV Nov 30	$131.93		—	-
First Investments Ltd				
[illegible]				
First Mexico Income Fund				
First Mexico Inc Dec 28	$15.81		—	-
Formosa Fund				
NAV Jan 5 IDR US$102.25				
Formosa Growth Fund Limited				
NAV	$17.28		—	-
France Option Fund				
[illegible]				
Frank Russell Investments (Cayman) Ltd				
US Equity	$102.16		—	-
GBC Asset Management				
[illegible]				
GNI Fund Management (Bermuda) Ltd				
[illegible]				
The GP Taiwan Index Fund				
NAV Dec 28	$1.15		—	-
GT Chile Growth Fund Ltd				
NAV Jan 3	$45.82		+0.25	-
GT Management Plc				
[illegible]				
Gaia Currency Funds				
[illegible]				
Garantia Debt Fund				
Share Value Jan 3	$1.918880		—	-
Garantia Equity Fund				
Share Value Dec 8	$134.857401		—	1.09
Barzarelli Sector Analysis Portfolio NV				
NAV	$12.81		—	-
Genesis Fund Managers Ltd				
[illegible]				
Gerinvest SA				
[illegible]				
Global Asset Management				
[illegible]				
Global Atic Inc				
NAV Dec 29	$1400.81		—	-
Global Government Plus Fund				
[illegible]				
Global Investment Fund Ltd				
NAV Nov 30	$711.42		—	-
Global Leveraged Futures Fund				
NAV Dec 31	$90.77		—	-
Goldman Sachs				
[illegible]				
Green Way Guaranteed Ltd				
NAV Nov 30	Ecu1347.93		—	-
Graystone International				
[illegible]				
Group One Limited				
US S&P 500 Index Ser 1	$346.38	-	—	0.00
Utility Value Trust 6		-	—	6.63
Group One International Tst				
[illegible]				
Guardian Global Asset Management Ltd				
[illegible]				
HSBC Asset Management (Bahamas) Ltd				
[illegible]				
Hasenbichler Asset Management GmbH				
[illegible]				
Haussmann Hldgs NV Curacao				
Haussmann Dec 31		829.93	—	-
Hull Capital Corpn				
Hull Overseas Oct 13	$121.70		—	-
IAA Limited				
Investors Shares NAV	$1564		—	-
IDF Investment & Development Financing Ltd				
IDF Global	$93.52		—	-
India Investment AG				
NAV Jan 4	SFr496.25		—	-
The India Magnum Fund NV				
NAV Dec 23	$81.63		—	-
Indian Opportunities Fund Ltd				
NAV Ordinary Jan 4	$15.28		—	-
Indosuez Asset Management Asia Ltd				
[illegible]				
Indosuez Brazil Fixed Income Fd Ltd				
NAV Dec 30	$13538.73		—	-
Infinity Capital Corporation				
Infinity Growth NAV Dec 29	$10.1400		—	-
Integral Hedged Assets Ltd				
Integral European	$9.66		—	-
The Jaguar Fund N.V.				
NAV Dec 31	$574.70		—	-
Jardine Fleming Inv Mngt Ltd				
[illegible]				
Jardine Fleming Unit Trusts Ltd				
[illegible]				
Jardine Fleming Unit Trusts Ltd - Contd.				
[illegible]				
Johnson Fry Securities Ltd				
[illegible]				
Jupiter Tyndall (Bermuda) Ltd				
Rees Smaller Companies Class	$0.09	1.05	—	-
KI Asia Pacific Fund Ltd				
KI Asia Pacific	$11.61	11.85	-0.22	-
Kingate Global Fund Ltd				
NAV Nov 30	$99.27		—	-
Kingdon Offshore N.V.				
NAV Dec 30	$17.92		—	-
Korea China Super Fund Ltd				
NAV Nov 30	$11.87		—	-
Korea Intl Investment Fund				
NAV Dec 29	$185.26		—	-
Korea Intl Investment Fund Ltd (II)				
NAV Dec 28	$75.79		—	-
Korea Investment Trust Co Ltd				
[illegible]				
Lehman Brothers Oporto Growth Fund				
NAV Dec 31	$8.69		—	-
Lippo Asia Ltd				
[illegible]				
Lloyd George Management				
[illegible]				
Lloyds Bank Government Bonds				
[illegible]				
Lloyds Bank International (Bahamas) Ltd				
Balanced Moderate Risk	$9.34	9.55	—	-
London Portfolio Services Group				
[illegible]				
MBf Unit Trust Managers Limited				
[illegible]				
MFS Meridian Funds				
[illegible]				4.90
Magellan Emerging Markets Mngt (Jersey) Ltd				
Magellan Emerging Mkts	$855.35	889.58	—	-
Magnum Funds				
[illegible]				
Magus Asset Management Ltd				
[illegible]				
Malaysia Capital Fund Ltd				
[illegible]				
Malaysia Fund (Labuan)				
NAV Dec 30	$14.47		—	-
Malaysia Growth Fund				
NAV Dec 30	$15.42		—	-
Man International Futures				
[illegible]				
Mauritius Fund Ltd				
NAV Nov 30	$13.45		—	-
MeesPierson				
[illegible]				
Merrill Lynch Asset Management				
[illegible]				1.92
Merrill Lynch Guernsey				
Indonesian Cap NAV Dec 16	$12.67		—	-
Millennium Asset Management				
US$ Global Currency	$1000.00		—	-
Mimisink International Ltd				
NAV Jan 6	$114.11		—	-
Momentum Asset Mgmt				
[illegible]				
Montgomery Emerging Markets Fund Ltd				
NAV Dec 31	$1328.19		—	-
Moore Global Investment				
[illegible]				
Morgan Stanley Emerging Market Fund				
[illegible]				
Morgan Stanley Japanese Warrant Fund NV				
NAV	$2.1996		—	-
National Investment Trust Company Ltd				
The New Taipei Fund Ltd	$15.0095		—	-
Nomura Warrant Fund 1990 Ltd				
NAV	$0.10		—	-
North Atlantic Management Co Ltd				
Compass	$10.53	10.85		-
North Star Fund Managers (Cayman) Ltd				
[illegible]				
Odey Asset Management Ltd				
[illegible]				
Old Ironsides International Ltd				
Old Ironsides Oct 31			—	-
Omega Overseas Partners Ltd				
[illegible]	$148.4209		—	-
Opportunity Fund				
[illegible]				
Optima Fund Management				
[illegible]				
Orbis Investment Management Ltd				
[illegible]				
Orbitex Management Ltd				
[illegible]				
ORIENT Growth Fd				
NAV	$14.32		-0.04	-
Oryx Fund Ltd				
NAV Dec 31	$10.03		—	-
PFC Internatl Portfolio Fd Mngt Ltd				
[illegible]				
PFM Israel Growth Fund Ltd				
Israel Growth	$5.56	5.91	-0.08	-
PFPC International Ltd				
[illegible]				
PRS International				
[illegible]				
Pacific Growth Fund				
NAV	$16.40		-0.02	-
Pactual				
[illegible]				
Pakistan Fund				
[illegible]				
Panther Capital Advisors				
Panther Fund Dec 15	$10.44		—	-
Pequot International Fund Inc				
NAV Dec 07	$205.49		—	-
Peru Select Group of Funds Limited				
Peru 2000	$9.95		—	-
Philippine Income Fund Inc				
NAV Dec 30	$10.01		—	-
Portuguese Investment Fund Ltd				
NAV Jan 6	$67.5311		—	-
Private Asset Management GAM Fund Inc				
NAV	$99.23		—	-
Prospect Asset Management (CI) Ltd				
[illegible]				
Prospector Fund Management Ltd				
Prospector Fund Ltd NAV Oct 31	$99.6611		—	-
Putnam Embassy Funds Ltd				
[illegible]				
Putnam International Advisers Ltd				
[illegible]				
Quantum Group				
[illegible]				
Real Estate Strategies Ltd				
IRES International			—	-
Regent Fund Management Ltd				
[illegible]				
Republic Funds				
[illegible]				
Rosenwald, Roditi & Co Ltd				
[illegible]				
Royal Bank of Canada Intl Money Market Fd				
[illegible]				
Sabre Futures Fund				
[illegible]				
Schroder Investment Management Limited				
Cap US Equity Jan 3	$7.78		—	9.46
Schroder Japanese Warrant Fund				
Undiluted NAV Jan 5	$1.04		—	-
Schroders Asia Limited				
[illegible]				
Schroders Australia Ltd				
Schroder Aust Sh	A$6.78	7.25	—	-
Scimitar Bermuda Funds				
[illegible]				
Scudder, Stevens & Clark Inc				
[illegible]				
Seahawk International Inc				
Seahawk International Inc	$210.8711		—	-
Segespar Securities (Bermuda) Ltd				
Green Way Ltd NAV Nov 30	$20507.32		—	-
Seychelles Fund Ltd				
NAV Jan 30	$857.7620		—	-
Shizuumi Investment Mngmt (Bermuda) Ltd				
Japan Opps NAV Dec 16	$14.514		—	-
Sintra Fund Ltd				
NAV Dec 5	$14.04		—	-
Sloane Robinson Investment Mngmt Ltd				
[illegible]				
Smith Barney Funds				
[illegible]				
Soditic Asset Management Inc				
[illegible]				
Carl Spaengler KAG				
Long Term Value Trust NAV	$685.93		—	-
Springfield Fund Mgmt (Gibraltar) Ltd				
Global Liquidity Fd Ltd	$104.42		—	8.44
Sri Lanka Growth Fund				
NAV Jan 5	$8.16		—	-
State Street Banque SA				
[illegible]				
Strome Offshore Limited				
NAV Nov 30	$175.20		—	-
Suisse Finance Corporation				
Infinity Investors Ltd	$5718.00		—	-
Swiss Bank Corporation				
[illegible]				
Taipei Fund				
NAV NT$2437 4 [illegible]				
Templeton Galbraith & Hansberger Ltd				
Global Inc Jan 3	$7.50	7.90		
The Egerton European Dollar Fund Ltd				
NAV Dec 30	$9.93		—	-
The Egerton European Equity Fund Ltd				
NAV Dec 30	DM10.25		—	-
The Thai-Euro Fund Ltd				
NAV Dec 30	$48.30		—	-
The Thai Prime Fund Limited				
NAV Dec 30	$24.97		—	-
The Thailand Fund				
The Thailand Growth Fund				
NAV US$23.12 Dec 30				
The Thailand Intl Fund Ltd				
NAV Dec 31	$44.26		—	-
Thames Currency Funds				
[illegible]				
Thornton Investment Management Ltd				
[illegible]				
Titan Capital Management				
[illegible]				
Trans Global Investments				
Trans Global Invests Fd	$190.22	198.16	—	-
Triumph Global Hedge Ltd				
NAV Dec 31	$912.72		-3.78	-
Ultra Carberus Fund Ltd				
Fund Advisors Ltd Nov 30	$1244.55		—	-
Ultra China Fund				
Fund Advisors Ltd Nov 30	$940.66		—	-
Ultra Futures Fund Ltd				
Fund Advisors Ltd Nov 30	$11273.79		—	-
Ultra Sector Fund Ltd				
Fund Advisors Ltd Nov 30	$1117.34		—	-
Ultra Telecom Fund Ltd				
Fund Advisors Ltd Nov 30	$782.77		—	-
Ultra Value Fund Ltd				
[illegible]				
Value Partners "A" Fund				
NAV Jan 3	$14.09		—	-
Valu–Trac Investment Management Ltd				
[illegible]				
The Vietnam Frontier Fund				
NAV (Partly Paid) Dec 31	$4.97		—	-
The Vietnam Fund Limited				
NAV Fully Paid Nov 30	$10.68		—	-
WW Capital Growth Fund				
NAV Dec 30	$999.20		—	-
Wellington Fd Mngrs (Bermuda) Ltd				
Intrnl Growth Fd	$14.93	15.67	-0.08	-
Wells Fargo U.S. IT Fund				
[illegible]			-0.05	-
Worldwide Limited				
NAV Nov 30	$83.14		—	-
Xiphias International Investment Fd Ltd				
[illegible]				
Yamaichi Capital Management (Guernsey) Ltd				
Thai Inv Fund	$21.60		—	-

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. (**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey - Financial Services Commission; Ireland - Central Bank of Ireland; Isle of Man - Financial Supervision Commission; Jersey - Financial Services Department; Luxembourg - Institut Monétaire Luxembourgeois. Initial charge - Charge made on sale of units. Selling price - Bid or redemption price. Buying price - Offer or issue price. Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♣) - 1401 to 1700 hours; (♠) - 1701 to midnight. E - Exit charge on sale of units. C - Manager's periodic charge deducted from capital. H - Historic pricing F - Forward pricing. a - Distribution free of UK taxes. p - Periodic premium insurance plans. s - Single premium insurance. u - Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities). x - Offered price includes all expenses except agent's commission. z - Previous day's price. ‡‡ - Guernsey gross. ◆ - Yield before Jersey tax. † - Ex-subdivision. ‡ - Only available to charitable bodies. ◊ - Yield column shows annualised rates of NAV increase. xd - Ex-dividend.

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No FT, no comment.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ϕ Bargains done the previous day.

British Funds, etc

Treasury 13¾% Stk 2000/03 - £122⅛ (4Ja95)
Exchequer 10½% Stk 2005 - £111⅞ (3Ja95)

Corporation and County Stocks

Birmingham District Council 11½% Red Stk 2012 - £115½
Bristol(City of) 11½% Red Stk 2008 - £114½ϕ
Croydon Corp 3½% Stk - £34½ (4Ja95)
Leeds(City of) 13½% Red Stk 2006 - £129ϕ
Leicester City Council 7% Ln Stk 2019(Reg) - £79⅞
Manchester Corp 3% Red Cons Stk 1928(or after) - £29½ (3Ja95)
Sunderland(Borough of) 11¾% Red Stk 2008 - £115½

UK Public Boards

Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £68 (30De94)
Port of London Authority 3% Port of London A Stk 29/99 - £80

Foreign Stocks, Bonds, etc-(coupons payable in London)

Abbey National Sterling Capital PLC10⅛% Subord Gtd Bds 2023 (Br £ Var) - £102¾ (3Ja95)
Abbey National Treasury Servs PLC 8% Gtd Nts 1999(Br£1000,10000,100000) - £89¼
Abbey National Treasury Servs PLC 7¾% Gtd Nts 1998 (Br £ Var) - £96⅛ (4Ja95)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £91⅜ .415 .7 ⅞ (4Ja95)
Allied Domecq PLC 10⅝% Bds 1999(Br£5000&100000) - £104⅛
Argyll Group PLC 8⅛% Bds 2000(Br£Var) - £94⅝
Asda Finance Ld 10¾% Cnv Cap Bds2005(Br £5000&100000) - £105⅞ (4Ja95)
BP America Inc 9½% Gtd Nts 1998 (Br £ Var) - £100½ (4Ja95)
Bank of Asia PLC 3¾% Subord Cnv Bds 2004(Reg $1000) - $89½ 90 (4Ja95)
Barclays Bank PLC 9.875% Undated Subord Nts - £96⅞
Barings PLC 9¼% Perp Subord Nts (Br£Various) - £82½ ½
Bekins B.V. Zebras 22/1/36(Br £10000) - £92.35 (3Ja95)
Bristol & West Building Society 10⅝% Subord Bds 2000(Br£10000&100000) - £103½
Britannia Building Society 10½% Bds 2000 (Br £10000&100000) - £104⅜
British Airways PLC 10% Bds 1998(Br£1000&10000) - £102⅛ (3Ja95)
British Gas PLC 7⅝% Bds 2000 (Br £ Var) - £94½
British Gas PLC 10⅞% Bds 2001(Br £1000,10000&100000) - £107.05
British Gas PLC 8⅛% Bds 2003 (Br £ Var) - £93.8
British Gas PLC 8⅞% Bds 2006 (Br £ Var) - £98.53 (4Ja95)
British Gas PLC 7⅛% Bds 2044(Br£1000,10000,1000000) - £77⅛
British Telecommunications PLC Zero Cpn Bds 2000(Br£1000&10000) - £63.85 4½ (4Ja95)
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £136½ 7½
Denmark(Kingdom of) 6¾% Nts 1998 (Br £ Var) - £93⅞ (4Ja95)
Depfa Finance N.V. 7⅞% Gtd Bds 2003 (Br £ Var) - £86¼ (4Ja95)
Dow Chemical Co Zero Cpn Nts 30/5/97(Br£1000&10000) - £81⅛ ½ ¾ (3Ja95)
Export-Import Bank of Japan 8¾% Gtd Bds 2001(Br$5000) - $100¼
Finland(Republic of) 10⅛% Bds 1997(Br£1000&10000) - £102¼ (4Ja95)
Forte PLC 9⅛% Bds 2003 (Br £ Var) - £94⅞
General Electric Credit Int'l NV Zero Cpn Gtd Nts 1995(Br$1000&10000) - $99.085
Guaranteed Export Finance Corp PLC Gtd Zero Cpn Bds 2000(Br£10000&100000) - £60½ (3Ja95)
HSBC Holdings PLC 9⅞% Subord Bds 2018 (Br £ Var) - £98¾ (30De94)
Halifax Building Society 8⅞% Nts 1999(Br£Vars) - £98.7 (4Ja95)
Halifax Building Society 8¾% Nts 1997 (Br£Var) - £99⅝ 100 (4Ja95)
Hammerson Property Inv & Dev Corp 7⅞% Bds 2003 (Br £ Var) - £85⅞
Hanson PLC 10⅜% Bds 1997 (Br £Var) - £103¼ (3Ja95)
Hydro-Quebec 6.50% Debs Sers IK 1998(Reg £ Vars) - £90¼ (4Ja95)
Imperial Chemical Industries PLC 9¾% Bds 2005(Br£1000&10000) - £100⅞
Imperial Chemical Industries PLC 10% Bds 2003(Br£1000&10000) - £102⅛
Inter-American Development Bank 11⅜% Bds 1995(Br £5000) - £101¼ ½
Italy(Republic of) 6⅞% Debs 27/9/2023 (RegIntMult$1000) - $78.24 (4Ja95)
Italy(Republic of) 10½% Bds 2014 (Br£10000&50000) - £108⅛
Japan Development Bank 7% Gtd Bds 2000 (Br £ Var) - £90⅛
Kansai Electric Power Co Inc 7⅛% Nts 1998 (Br £ Var) - £94⅝ 5
Kyushu Electric Power Co Inc 8% Nts 1997 (Br £ Var) - £98¼ ½ (3Ja95)
Land Securities PLC 9½% Bds 2007(Br£1000&10000) - £98½
Land Securities PLC 9⅜% Cnv Bds 2004 (Br£5000&50000) - £108 ½ (30De94)
Leeds Permanent Building Society 11½% Nts 1996 (Br £5000&100000) - £103½ (3Ja95)
Leeds Permanent Building Society Collared FltgRteNts 2003(Reg Mult£1000) - £95 95½ (4Ja95)
Lloyds Bank PLC 7⅜% Subord Bds 2004(Br£Various) - £86 (3Ja95)
MEPC PLC 9⅞% Bds 2004(Br£1000&10000) - £98⅛
MEPC PLC 10¼% Bds 2003(Br£1000&10000) - £100⅜
Marks & Spencer Finance PLC 7⅜% Gtd Nts 1998 (Br £ Var) - £95⅞
Microtek International Inc 3.5% Bds 2001(Br$10000) - $110
National Grid Co PLC 7⅜% Bds 1998 (Br £ Var) - £95¾
National Westminster Bank PLC 11¾% Subord Nts 2001 (Br £Var) - £109⅞ (4Ja95)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £105½ (4Ja95)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Br - £105¼ ½ ½ (4Ja95)
Nationwide Building Society 8⅝% Subord Nts 2018 (Br £ Var) - £87.95 (3Ja95)
Nationwide Building Society 13.5% Subord Nts 2000 (Br £10000) - £116
Nationwide Building Society Zero Cpn Nts 1998 (Br £ Var) - £72¼ (3Ja95)
PowerGen PLC 8⅞% Bds 2003 (Br £10000&100000) - £96.45 .7 .7 (3Ja95)
Prudential Finance BV 9⅜% Gtd Bds 2007 (Br£5000&100000) - £99¼ (3Ja95)
Rank Organisation PLC 8⅜% Bds 2000 (Br £ Var) - £95⅛
Royal Bank of Scotland PLC 8⅝% Bds 2004(Br£Vars) - £83 (3Ja95)
Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £93.1775
Royal Insurance Hldgs PLC 9⅞% Subord Bds 2003 (Br £ Var) - £96⅛ ⅞ (4Ja95)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £125½ (4Ja95)
Sincere Navigation Corporation 3.75% Bds 2003 (Br $10000&100000) - $101 101½
Smithkline Beecham Capital PLC 8⅛% Gtd Nts 1998 (Br £ Var) - £96¾
Sweden(Kingdom of) 8¾% Bds 1998(Br$5000) - £100⅛ (3Ja95)
Tenneco Finance (Jersey) Ld 8½% Cnv Cap Bds 2006 (Reg £1000) - £97 ¾
Tate & Int Finance PLC 8% Gtd Bds 1998(Br£10000&100000) - £94½ ½ ⅝ (3Ja95)
Tesco PLC 8¾% Bds 2003(Br£Vars)(FyPd) - £94⅞ϕ
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg £1) - £117½ ½ ⅞ 8¼ ½ ½
Tesco Capital Ld 9% Cnv Cap Bds 2005(Br£5000&10000) - £114½ϕ
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) - £116½
Tokyo Electric Power Co Inc 7⅛% Nts 1998 (Br £ Var) - £94.95 (3Ja95)
Tokyo Electric Power Co Inc 11% Nts 2001 (Br £1000,10000 & 100000) - £108⅛
Treasury Corporation of Victoria 8¾% Gtd Bds 2003 (Br £ Var) - £95 ¼
Tung Ho Steel Enterprise Corp 4% Bds 2001(Br$10000) - $114⅛ 114½ (4Ja95)
U-Ming Marine Transport Corporation1½% Bds 2001(Reg in Mult $1000) - $111½ (3Ja95)
United Kingdom 7¼% Bds 2002(Br$Var) - $95.05
Victorian Pblc Athrs Fin Agency 9⅝% Gtd Bds 1999(Br£Vars) - £101 (4Ja95)
Woolwich Building Society 11% Nts 1996(Br£1000&10000) - £103⅝ϕ
CS First Boston Inc $150m Subord Fltg Rte Nts February 2004 - $91½ 92½ (3Ja95)
European Bank for Rec & Dev $100m Fltg Rte Nts April 2000 - $85½ 86½
Halifax Building Society £150m 7⅞% Nts 14/4/2000 - £94⅞
Oesterreichische Kontrollbank AG $200m 4.875% Debt Instruments 22/10/98 - $89½ 90 (4Ja95)
Queensland Treasury Corp $A40m 5.80% Nts 1/8/2004 - $A71.871 (4Ja95)
Sweden(Kingdom of) £600m 7½% Nts 3/12/97 - £96⅞
Sweden(Kingdom of) £250m 7% Instruments 23/12/98 - £92⅞
Sweden(Kingdom of) $C200m 8¼% Debt Instr 29/12/99 - $C95¼ 95¾
Sweden(Kingdom of) £350m 7⅝% Bds 28/7/2000 - £92⅞

Sterling Issues by Overseas Borrowers

Bank of Greece 10¾% Ln Stk 2010(Reg) - £97¼ (4Ja95)
Denmark(Kingdom of) 13% Ln Stk 2005 - £125¼
European Investment Bank 9% Ln Stk 2001 (Reg) - £100¼
European Investment Bank 9½% Ln Stk 2009 - £104⅛ ⅞
European Investment Bank 11% Ln Stk 2002(Reg) - £110ϕ
Hydro-Quebec 12.75% Ln Stk 2015 - £127¼ (4Ja95)
International Bank for Rec & Dev 9½% Ln Stk 2010(Reg) - £104⅜
New Zealand 11¼% Stk 2008(Reg) - £116¼
Sweden(Kingdom of) 9¾% Ln Stk 2014(Reg) - £103⅞ .4875 ¾

Listed Companies(excluding Investment Trusts)

AAH PLC 4.2% Cum Prf £1 - 58
AECI Ld 5½% Cum Prf R2 - 75 82½
ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) - £59
Aberdeen Trust PLC A Wts to Sub for Ord - 47½ (30De94)
Alexon Group PLC 6.25p (Net) Cnv Cum Red Prf 10p - 56
Allied Domecq PLC 11¾% Deb Stk 2009 - £119⅞ (4Ja95)
Allied Domecq PLC 6¼% Uns Ln Stk - £63 (30De94)
Allied Domecq PLC 7½% Uns Ln Stk - £78
Allied Domecq PLC 7¾% Uns Ln Stk 93/98 - £94 ¼ 5¼
Allied London Properties PLC 10% Cum Prf £1 - 110
Allied-Lyons Financial Services PLC6¾% Gtd Cnv Subord Bds 2008(Br £ Var) - £97 (30De94)
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 78
American Brands Inc Shs of Com Stk $3.125 - $38.05ϕ
Ameritech Corp Shs of Com Stk $1 - $39½ (3Ja95)
Andrews Sykes Group PLC Cnv Prf 50p - 70 (4Ja95)
Anglian Water PLC 5½% Index-Linked LnStk 2008(5.2576%) - £130
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 37 8
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 49½ 52 ½
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 47 (4Ja95)
Ayrshire Metal Products PLC Ord 25p - 120½ϕ
BET PLC ADR (4:1) - $8½ϕ
BM Group PLC 4.9p (Net) Cnv Cum Red Prf 20p - 61 (4Ja95)
BOC Group PLC ADR (1:1) - $11⅛ (4Ja95)
BOC Group PLC 2.8% Cum 2nd Prf £1 - 40 (30De94)
BOC Group PLC 12¼% Uns Ln Stk 2012/17 - £124⅛ (4Ja95)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 186 (4Ja95)
BTR PLC ADR (4:1) - $18½ (4Ja95)
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation - £12ϕ
Banner Homes Group PLC Ord 10p - 107
Barclays PLC ADR (4:1) - $38.1 (4Ja95)
Barclays Bank PLC 12% Uns Cap Ln Stk 2010 - £115⅛
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £133⅞ (3Ja95)
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 73 (4Ja95)
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 98 (3Ja95)
Baring Chrysalis Fund Ld Wts to Sub for Ord - $3 (3Ja95)
Barings PLC 8% Cum 2nd Prf £1 - 98
Barings PLC 9¾% Non-Cum Prf £1 - 116
Barr & Wallace Arnold Trust PLC Ord 25p - 445 55
Bass PLC ADR (2:1) - £10⅜ (4Ja95)
Bass PLC 10⅜% Deb Stk 2016 - £111⅜ ½
Bass PLC 4½% Uns Ln Stk 92/97 - £89½ (4Ja95)
Bass Investments PLC 7⅜% Uns Ln Stk 92/97 - £95 (4Ja95)
Batleys PLC 10% Cum Prf £1 - 100
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK161.322
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - £98¼ ¾
Blue Circle Industries PLC ADR (1:1) - $4.2 4.26 4.3 4.43
Blue Circle Industries PLC 5¾% 2nd Deb Stk 1984/2009 - £70¼ϕ
Boddington Group PLC 4% Deb Stk Perp - £44ϕ
Boots Co PLC ADR (2:1) - $15.55 (4Ja95)
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £111.8875 ⅝
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £123¾ 4¼
Brent Walker Group PLC Wts to Sub for Ord - 0½ (4Ja95)
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 1½
Bridon PLC 6⅝% Uns Ln Stk 2002/07 - £76ϕ
Bristol Water PLC 10.40% Red Deb Stk 2000/02 - £103ϕ
Bristol Water Hldgs PLC Ord £1 - £10.2
Bristol Water Hldgs PLC 6.75% Cum Cnv Red Prf 1998 Shs £1 - 185
Bristol & West Building Society 13⅜% Perm Int Bearing Shs £1000 - £125¼ 6 ¾
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £121¾ 2¾ ¾ ¾
British Airways PLC ADR (10:1) - $57.53 .58
British & American Film Hldgs PLC Ord Stk 5p - £9.6 (3Ja95)
British-American Tobacco Co Ld 5% Cum Prf Stk £1 - 53
British-American Tobacco Co Ld 6% 2nd Cum Prf Stk £1 - 64
British Fittings Group PLC 5.5% Cnv Red Prf £1 - 56 (4Ja95)
British Petroleum Co PLC 8% Cum 1st Prf £1 - 83½
British Petroleum Co PLC 9% Cum 2nd Prf £1 - 97 (4Ja95)
British Steel PLC ADR (10:1) - $24¼ϕ
Broadstoner Hldgs PLC 4.2% (Frmly 6%) Cum Prf £1 - 59
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 - 103¼ (3Ja95)
Bulmer(H.P.)Hldgs PLC 9½% Cum Prf £1 - 105 10 (4Ja95)
Bunzl PLC 7% Cnv Uns Ln Stk 95/97 - £98
Burmah Castrol PLC 7½% Cum Red Prf £1 - 72½
Burndene Investments PLC 15% Uns Ln Stk 2007/12 - £119 (4Ja95)
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 - £81 1 ½ 3 3
Butte Mining PLC 10% (Net) Cnv Cum Red Prf 1994 10p - 4¼ ⅜
Caffyns PLC 10% Cum Prf £1 - 112
California Energy Co Inc Shs of Com Stk $0.0675 - $15.789375 (3Ja95)
Capital & Counties PLC 6¼% 1st Mtg Deb Stk 93/98 - £90½ (30De94)
Capital & Counties PLC 6¾% 1st Mtg Deb Stk 94/99 - £89ϕ
Capital & Counties PLC 9⅞% 1st Mtg Deb Stk 2027 - £102⅜ 3⅜ .7375 (4Ja95)
Carclo Engineering Group PLC 10½% Cum Red Prf £1 - 105 (4Ja95)
Carlisle Group PLC 4.38% (Net) Red Cnv Prf 1998 £1 - 85½ (30De94)
Carlton Communications PLC ADR (2:1) - $28.4 (30De94)
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £137
Caterpillar Inc Shs of Com Stk $1 - $54⅞
Cementone PLC Wts to Sub for Ord - 14
Centex Corporation Shs of Com Stk $0.25 - $22⅝
Charlwood Alliance Hldgs Ld 8¾% 1st Mtg Deb Stk 95/98 - £98½ (30De94)
Charlwood Alliance Hldgs Ld 7½% Uns Ln Stk 50p - 34 (4Ja95)
City Site Estates PLC 5.25% Cnv Cum Red Prf £1 - 72 (30De94)
Clayhithe PLC 9.5% Subord Cnv Uns Ln Stk 2000/01 - £93 (30De94)
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 480 5
Colman(E.Alec)Investments Ld 8% Uns Ln Stk 91/96 - £95
Commercial Union PLC 8⅜% Cum Irrd Prf £1 - 107⅜ ⅜
Commercial Union PLC 8¾% Cum Irrd Prf £1 - 109⅛ ⅝ ⅛ ⅛
Co-Operative Bank PLC 9.25% Non-Cum Irrd Prf £1 - 111⅞ (4Ja95)
Courtaulds PLC 5½% Uns Ln Stk 94/96 - £95 (4Ja95)
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - £114
Daily Mail & General Trust PLC Ord 50p - £13.15 (3Ja95)
Dares Estates PLC 8% Uns Ln Stk 92/97 - £35 (4Ja95)
De Beers Consolidated Mines Ld 40% Cum Prf R5 (Br) (Cpn 171) - $5.47
Debenhams PLC 7¼% 2nd Deb Stk 91/96 - £96 (3Ja95)
Debenhams PLC 7¼% Uns Ln Stk 2002/07 - £82 (4Ja95)
Delta PLC 3.15% Cum 2nd Prf £1 - 40 (30De94)
Dencora PLC 6.25% Cum Cnv Red Prf £1 - 105½ 6½ ½ (4Ja95)
Dominion Energy PLC Ord 5p - 10½ (3Ja95)
Dunlop Plantations Ld 6% Cum Prf £1 - 60 (4Ja95)
EIS Group PLC 5% Cum Prf Stk £1 - 52 (3Ja95)
East Surrey Water PLC 10% Red Deb Stk 97/99 - £102⅛ (4Ja95)
Eclipse Blinds PLC Ord 5p - 11½ ⅞ 2⅛ ¼
El Oro Mining&Exploration Co PLC Ord 10p - 565 (3Ja95)
Elys(Wimbledon) PLC Ord 25p - £4.7 (30De94)
Emess PLC 6.25p(Net) Cnv Cum Red Prf 5p - 71½
Ericsson(L.M.)(Telefonaktiebolaget)Ser B(Reg)SK10 - SK408.6 9 .82 10¼ ½ .65 1 .1 ⅜ .64 .728 ¾ 2 2 .07 ½ ½ 3 3 .129 .26 ½ 4 4
Estates Property Investment Co Ld 10% 1st Mtg Deb Stk 2011 - £86 (30De94)
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 135 6 9 40 1 2
Euro Disney S.C.A. Shs FR5 (Br) - FR11.55 .6 .6 .65 .72 .81 2.07
Eurotunnel PLC/Eurotunnel SA Units (1 EPLC Ord 40p & 1 ESA FR10) (Br) - FR24.69 24.74 (3Ja95)
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - £3.094667 FR25.36 ½ .65 .8 .88 .9 6.1 .12 .17 ¼ .3 .35 .35 .45 .49 ¾
Eurotunnel PLC/Eurotunnel SA Fndr Wts(1EPLC & 1ESA WrttoSub forUnits) - £16½ (4Ja95)
Eurotunnel PLC/Eurotunnel SA Fndr Wts (Sicovam Inscribed) - £0.0764 (3Ja95)
Ex-Lands PLC Warrants to sub for Shs - 20
First Chicago Corp Com Stk $5 - $46⅞
First National Building Society 11¾% Perm Int Bearing Shs £10000 - £102¼
First National Finance Corp PLC 7% Cnv Cum Red Prf £1 - 106 (4Ja95)
Fisons PLC ADR (4:1) - $6.85
Fisons PLC 5⅞% Uns Ln Stk 2004/09 - £71 (30De94)
Folkes Group PLC Ord 5p - 42 (4Ja95)
Forte PLC 9.1% Uns Ln Stk 95/2000 - £99½
GKN PLC ADR (1:1) - $9.35 (3Ja95)
GN Great Nordic Ld Shs DK100 - DK499ϕ
G.T. Chile Growth Fund Ld Ord $0.01 - $31 1 ¼
General Accident PLC 7⅞% Cum Irrd Prf £1 - 100⅞ 1⅛ ⅛
General Accident PLC 8⅞% Cum Irrd Prf £1 - 110¼ ½ ¾
General Electric Co PLC ADR (1:1) - $4.22
Glaxo Group Ld 7¾% Uns Ln Stk 85/95 50p - 47½
Grand Metropolitan PLC 4¾% Cum Prf £1 - 51½ (4Ja95)
Grand Metropolitan PLC 5% Cum Prf £1 - 53 (4Ja95)
Grand Metropolitan PLC 6¼% Cum Prf £1 - 62 (4Ja95)
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £101⅜ (3Ja95)
Great Universal Stores PLC 5⅛% Red Uns Ln Stk - £57½ϕ
Great Universal Stores PLC 8⅜% Red Uns Ln Stk - £68ϕ
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £107½ (3Ja95)
Greencore Group PLC 9.5% Cnv Uns Ln Stk 1995 - £145 (3Ja95)
Guinness PLC ADR (5:1) - $34.7 (30De94)
Guinness Flight Global Strategy Fd Ptg Red Prf $0.01(Global Bond Fund) - £21.70854 (30De94)
HSBC Hldgs PLC Ord $H10 (Hong Kong Reg) - £8⅛ $H81.533247 .86134 .8 .8 2.011896 .020958 .075616 .1922 .2175 .46 ½ .57 .615116 .77
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Reg) - £103 6 7½
Halifax Building Society 8¾% Perm Int Bearing Shs £50000 - £87¼
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) - £117⅞ (4Ja95)
Halkin Holdings PLC Ord 5p - 71 2
Hammerson PLC Ord 25p - 333 4.83 5 .83 6 8 9 40 2
Hardys & Hansons PLC Ord 5p - 256
Hasbro Inc Shs of Com Stk $0.50 - $28⅛ (4Ja95)
Haslemere Estates PLC 10¼% 1st Mtg Deb Stk 98/2003 - £102 (4Ja95)
Hazlewood Foods PLC 7.5% Cum Ptg Prf £1 - 95 (4Ja95)
Hercules Inc Shs of Com Stk of NPV - $115⅛ (4Ja95)
Holmes Protection Group Inc Shs of Com Stk $0.25 - $0.4 p 28 (4Ja95)
Housing Finance Corporation Ld 7% Deb Stk 2009 - £72⅞
Housing Finance Corporation Ld 11½% Deb Stk 2016 - £111⅞ .9
IS Himalayan Fund NV Ord FL0.01 - $15¾ ½
Iceland Group PLC Cnv Cum Red Prf 20p - 121
Industrial Control Services Grp PLCOrd 10p - 138
Intl Stock Exchange of UK&Rep of IrLd 7¾% Mtg Deb Stk 90/95 - £99½ (3Ja95)
Irish Life PLC Ord Ir£0.10 - 1.92 1.925 1.3275 p 189 90 1
Jardine Strategic Hldgs Ld Ord $0.05(Bermuda Register) - $3.78
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 126 ½ 9 (30De94)
Korea-Europe Fund Ld Shs(IDR to Br) $0.10 (Cpn 7) - £4250ϕ
Kvaerner A.S. Free A Shs NK12.50 - NK320.36ϕ .52ϕ
Ladbroke Group PLC ADR (1:1) - $2.64
Lebowa Platinum Mines Ld Ord R0.01 - 77
Leeds & Holbeck Building Society 13⅜% Perm Int Bearing Shs £1000 - £125½ ¾ 6 (4Ja95)
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 59 (30De94)
Lionheart PLC Cnv Cum Red Prf 20p - 58
Lonrho PLC ADR (1:1) - $2.37
Lonrho PLC 10¼% 1st Mtg Deb Stk 97/2002 - £102 (4Ja95)
MEPC PLC 3.85% Cum Prf Stk £1 - 50
MEPC PLC 8% Uns Ln Stk 2000/05 - £92¼ϕ
MEPC PLC 10½% Uns Ln Stk 2032 - £105⅞
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 88 90
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £66 (4Ja95)
Mcinerney Properties PLC "A" Ord Ir£0.10 - I£0.05 (4Ja95)
Mandarin Oriental International Ld Ord $0.05 (Hong Kong Reg) - $H9.2225
Marks & Spencer PLC ADR (6:1) - $37⅛ 37½ 38.05 (4Ja95)
Marshalls PLC 10% Cum Prf £1 - 106
Medeva PLC ADR (4:1) - $10⅛ (3Ja95)
Merchant Retail Group PLC 8¾% Uns Ln Stk 99/04 - £65½ (4Ja95)
Mercury International Inv Trust Ld Ptg Red Prf 1p (Reserve Fund) - £50.2478 (30De94)
Mersey Docks & Harbour Co 3⅞% Irrd Deb Stk - £39½ (4Ja95)
NEC Finance PLC 10⅝% Deb Stk 2016 - £113¼ .3 ⅜ .425 (3Ja95)
NFC PLC 7¾% Cnv Bds 2007(Reg) - £91⅜ 2⅞
National Power PLC ADR (10:1) - $76.12
National Westminster Bank PLC 9% Non-Cum Stg Prf Sers "A" £1 - 114¼ ½ ½ ¾ ⅞ 5
National Westminster Bank PLC 12½% Subord Uns Ln Stk 2004 - £116⅜
New Central Witwatersrand Areas Ld R0.50 - 23
Newcastle Building Society 12⅝% Perm Interest Bearing Shs £1000 - £118
North Housing Association Ld Zero Cpn Ln Stk 2027 - 400
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £94¾ (4Ja95)
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £120¼
Orbis PLC Ord 10p - 21½
Pacific Gas & Electric Co Shs of Com Stk $5 - $24⅞
Panther Securities PLC Wts to sub for Ord - 17 (3Ja95)
Parkland Group PLC Ord 25p - 157 (3Ja95)
Peel Hldgs PLC 10% Cum Prf 50p - 58 (30De94)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 90
Peel South East Ld 12.5% 1st Mtg Deb Stk 2015/20 - £115⅛ (30De94)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 85
Petrofina S.A. Ord Shs NPV (Br In Denom 1,5 & 10) - BF9300 40 7⅞
Pittards PLC 9½% Cum Prf £1 - 89
Plantation & General Invs PLC 9½% Cum Red Prf £1 - 95¼
Potgietersrust Platinums Ld Ord R0.025 - 490 (3Ja95)
PowerGen PLC ADR (10:1) - $83.52
Premier Health Group PLC Ord 1p - 1¼
Pressac Holdings PLC 10.5% Cum Prf £1 - 115 (3Ja95)
R.E.A.Hldgs PLC 12% Cnv Uns Ln Stk 2000 - £90½ϕ
RJB Mining PLC Ord 1p (RFD-1/1/95) - 317 8 8 20 2
RPH Ld 9% Uns Ln Stk 99/2004 - £95¼
Racal Electronics PLC ADR (2:1) - $6.6 (4Ja95)
Rank Organisation PLC ADR (2:1) - $12.83 (4Ja95)
Reckitt & Colman PLC 5% Cum Prf £1 - 54 (4Ja95)
Regis Property Hldgs PLC 8¾% Gtd Uns Ln Stk 1997 - £94½ (3Ja95)
Rugby Group PLC 6% Uns Ln Stk 93/98 - £98
SCEcorp Shs of Com Stk of NPV - $14⅞
Saatchi & Saatchi Co PLC ADR (3:1) - $6¾ (3Ja95)
Saatchi & Saatchi Co PLC 6% Cnv Uns Ln Stk 2015 - £66 (30De94)
Sainsbury(J) PLC ADR (1:1) - $6½
Sainsbury(J) PLC 8% Irrd Uns Ln Stk - £85½
Scantronic Hldgs PLC 7.25p (Net) Cnv Cum Red Prf 20p - 45 6
Scholl PLC 5¼% Cnv Cum Red Prf 2006/11 £1 - 72½ (4Ja95)
Schroders PLC 8¾% Uns Ln Stk 97/2002 - £95
Scottish & Newcastle PLC 6.425% Cum Prf £1 - 89½
Sears PLC 8.75% (Fmly 12½%) Cum Prf £1 - 100
Sears PLC 7¼% Uns Ln Stk 92/97 - £98½
Severn River Crossing PLC 6% Index-Linked Deb Stk 2012 (6.452%) - £116
Shell Transport&TradingCo PLC Ord Shs (Br) 25p (Cpn 193) - $10⅛ p 697
Shell Transport&TradingCo PLC 5½% 1st Prf(Cum)£1 - 63½
Shield Group PLC Ord 5p - 4½ (30De94)
Shoprite Finance (UK) PLC 7.875p(Net) Cum Red Prf Shs 2009 - 85 (4Ja95)
Signet Group PLC ADR (3:1) - $1⅛ϕ
Simon Engineering PLC 9¼% Deb Stk 92/97 - £99½ (30De94)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £119¼ 20½‡
Smith New Court PLC 12% Subord Uns Ln Stk 2001 - £101¾
Smith (W.H.) Group PLC 5⅛% Red Uns Ln Stk - £51½ (3Ja95)
SmithKline Beecham PLC ADR (5:1) - $35.9ϕ .97ϕ
SmithKline Beecham PLC/SmithKline ADR (5:1) - $33⅞ ¼ ⅞ .98 .998867
Smiths Industries PLC 11¼% Deb Stk 95/2000 - £101 (30De94)
South Staffordshire Water PLC 9¼% Red Deb Stk 98/2000 - £99 (3Ja95)
Standard Chartered PLC 12⅞% Subord Uns Ln Stk 2002/07 - £113 (30De94)
Symonds Engineering PLC Ord 5p - 31½
THFC (Indexed) Ld 5.65% Index-Linked Stk 2020(6.7018%) - £122
TSB Group PLC 10⅝% Subord Ln Stk 2008 - £107 ½ ¾ ⅞
Tate & Lyle PLC 8% Uns Ln Stk 2003/08 - £88¼ (4Ja95)
TeleWest Communications PLC ADR (10:1) - £18.84
Tennessee Gas Pipeline Co 10% Stg/$ Cnv Uns Ln Stk 91/95 - £120 (4Ja95)
Tesco PLC ADR (1:1) - $3.9
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £62⅞ (4Ja95)
Thai Prime Fund Ld Ptg Red Prf $0.01 - $15.88 (3Ja95)
Thailand International Fund Ld Ptg Shs $0.01 (Reg) - $30.1 (3Ja95)
Thailand International Fund Ld Ptg Shs $0.01 (IDR's to Br) - $32500
Trafalgar House PLC 9½% Uns Ln Stk 2000/05 - £94
Trafalgar House PLC 10¼% Uns Ln Stk 2001/06 - £97 (3Ja95)
Trans-Natal Coal Corp Ld R0.50 - 50 (3Ja95)
Transatlantic Holdings PLC B 6% Cnv Prf £1 - 89
Transport Development Group PLC 8¼% Uns Ln Stk 93/98 - £96⅞ (30De94)
Transport Development Group PLC 9¾% Uns Ln Stk 95/2000 - £96½ (4Ja95)
Unigate PLC 5% Uns Ln Stk 91/96 - £95 (3Ja95)
Unigate PLC 6½% Uns Ln Stk 91/96 - £95 (3Ja95)
Unilever PLC ADR (4:1) - $72⅞ (4Ja95)
Union International Co PLC 6% Cum Prf Stk £1 - 55 (4Ja95)
Utility Cable PLC Warrants to sub for Ord - 14 (4Ja95)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 68 (4Ja95)
Vodafone Group PLC ADR(10:1) - £20.1 5 31.498883 ½ .6 ⅝ .69 .748942
Walker(J.O.) & Co PLC Ord 25p - 550 70 (3Ja95)
Wellcome PLC ADR (1:1) - $10⅜ ⅝
Wells Fargo & Company Shs of Com Stk $5 - $148⅞
Wembley PLC 5p(Net)Cnv Cum Red Prf 1999 £1 - 55 (3Ja95)
Whitbread PLC 6% 3rd Cum Prf Stk £1 - 62 (3Ja95)
Whitbread PLC 7¼% Uns Ln Stk 95/99 - £92 (3Ja95)
Whitbread PLC 7¾% Uns Ln Stk 96/2000 - £93½ (4Ja95)
Williams Hldgs PLC 10¾% Cum Prf £1 - 125 (30De94)
Wills Corroon Group PLC ADR (5:1) - $10⅜ 10.53 (3Ja95)
Xerox Corp Com Stk $1 - $97⅞ ⅞
York Waterworks PLC Warrants to sub for Ord - 195 (4Ja95)
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 230 3 (3Ja95)
Yule Catto & Co PLC 11½% Cum Red Prf 1998/2003 £1 - 110
Zambia Consolidated Copper Mines Ld"B" Ord K10 - 190ϕ

Investment Trusts

BZW Endowment Fund Ld Redeemable Ord 1p - 103 ½ .95 4
Baillie Gifford Japan Trust PLC Wts to Sub Ord Shs - 80 (4Ja95)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 99 102 (3Ja95)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 69 (30De94)
Bankers Investment Trust PLC 10½% Deb Stk 2016 - £111 (4Ja95)
Baring Tribune Investment Trust PLC9⅛% Deb Stk 2012 - £99½
British Assets Trust PLC "A" 5% Prf Stk(Cum) - £53 (3Ja95)
British Assets Trust PLC Equities Index ULS 2005 10p - 154 (30De94)
Dunedin Worldwide Inv Trust PLC 3½% Cum Prf Stk - £53 (4Ja95)
Edinburgh Investment Trust PLC 5¾% Deb Stk 1998 - £90 (4Ja95)
Fidelity European Values PLC Equity Linked Uns Ln Stk 2001 - 137
Finsbury Smaller Co's Trust PLC Zero Div Prf 25p - 187½
Gartmore British Inc & Grth Tst PLCZero Dividend Prf 10p - 101⅝ϕ
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 86 ½
Govett Strategic Inv Trust PLC 10⅜% Deb Stk 2016 - £110
HTR Japanese Smaller Co's Trust PLCOrd 25p - 103 ½ 4½ ½ ¾
JF Fledgeling Japan Ld Warrants to sub for Ord - 41
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (30De94)
London & St Lawrence Investment PLCOrd 5p - 160
Merchants Trust PLC 4% Perp Deb Stk - £40 (30De94)
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 41 2
New Throgmorton Trust(1983) PLC Zero Cpn Deb Stk 1998 - £71⅞ (4Ja95)
Paribas French Investment Trust PLCSers "A" Warrants to sub for Ord - 15
Paribas French Investment Trust PLCSers "B" Warrants to sub for Ord - 13¼ 4 (4Ja95)
Schroder Korea Fund PLC Ord $0.01 (Br) - $13 (3Ja95)
Scottish National Trust PLC 10% Deb Stk 2011 - £104¼
Sphere Investment Trust PLC Revised Warrants to sub for Ord - 2
Wigmore Property Investment Tst PLCWts to Sub for Ord - 17ϕ
Witan Investment Co PLC 8% Deb Stk 96/98 - £97 (3Ja95)
Witan Investment Co PLC 8½% Deb Stk 2016 - £94½ϕ

USM Appendix

Eidos PLC Ord 10p - 320
Gibbs Mew PLC Ord 25p - 456 65
Midland & Scottish Resources PLC Ord 10p - 2 3 (4Ja95)
Reflex Group PLC Ord Ir£0.05 - I£0.18 p 18
Total Systems PLC Ord 5p - 35 (30De94)

Rule 4.2(a)

AMCO Corp Inc Ord 10p - £0.7 0.73 (3Ja95)
Ackrill Carr PLC Ord 5p - £0.18 (4Ja95)
Advanced Media Group PLC Ord £1 - £2.05 2.07 (30De94)
Advanced Media Group PLC Wts to sub for Ord - £0.92 (30De94)
African Gold PLC Ord 1p - £0.0275
Amalgamated Metal Corp PLC Ord £1 - £1.8 (3Ja95)
Ann Street Brewery Co Ld Cnv Red 2nd Prf £1 - £6⅛ (4Ja95)
Arsenal Football Club PLC Ord £1 - £450
Aston Villa Football Club PLC Ord £5(1 vote) - £95 (3Ja95)
Azure Group PLC Ord 10p - £0.23 0.231875 (4Ja95)
Barclays Investment Fund(C.I.) Global Resources Fund - £0.6268 (3Ja95)
Brakspear(W.H.)& Sons PLC Ord 25p - £2.4 (3Ja95)
Brancote Holdings PLC Ord 5p - £0.415ϕ
Brockbank Group PLC Ord 10p - £2 (4Ja95)
Channel Islands Comms (TV) Ld Ord 5p - £0.6 (4Ja95)
Conister Trust PLC Ord 25p - £0.22
Country Gardens PLC Ord 25p - £0.47
Coutts Consulting Group PLC 5p(Net) Cum Cnv Red Prf - £0.48 (3Ja95)
Dawson Hldgs PLC Ord 10p - £5½ 5½
Enlighted Tobacco Co PLC Ord 10p - £0.2 (3Ja95)
Exchem PLC Ord 50p - £2.2 (30De94)
Firecrest Group PLC Ord 5p - £0.31
Forestream Ld Ord £1 - £0.52 0.53
Formscan International Group PLC Ord 1p - £0.6
Francistown Min&Ex(Jersey)Ld Ord $0.01 - $3¼
Gander Holdings PLC Ord 1p - £0⅛
Groucho Club London PLC Ord 10p - £0.82 0.85
Guernsey Gas Light Co Ld Ord 10p - £0.98
Guernsey Press Co Ld Ord 10p - £1.97 2 2 (3Ja95)
Hiscox Dedicated Insurance Fund Ord 75p(P/Pd-Oct 95) - £0.5575 0.5875 0.57 (30De94)
INVESCO MIM International Ld Japan Income & Growth - £1.872 (3Ja95)
Independent British Healthcare PLC Ord 25p - £0.78 (3Ja95)
Jennings Bros Ld Ord 25p - £1.83 (4Ja95)
Kleinwort Benson(Int) Fund Man Int Equity Gwth Inc - £2.565ϕ
Labyrinth Group PLC Ord 10p - £0.45 (30De94)
Lancashire Enterprises PLC Ord 5p - £1.8
Lawrie Group PLC Ord £1 - £26 (30De94)
Le Riche's Stores Ld Ord £1 - £3.05 3.05 3.1
Liverpool FC & Athletic Grounds PLCOrd £5 - £550 (30De94)
London Fiduciary Trust PLC Ord 1p - £0.03
Manchester City Football Club PLC Ord £1 - £12
Memory Corporation PLC Ord 2p - £0.98 0.99 1 1.02 1.03
N.W.F. Ld Ord 25p - £2⅛ (4Ja95)
National Parking Corp Ld Ord 10p - £4.8
Northern Maritime Property Invs Ld Ord 0.1p - £0.565
Oakhill Enterprises Ld Ord £1 - £0.035
OmniMedia PLC Ord 5p - £0.6ϕ
Pacific Media PLC Ord 1p - 1½ ⅜
Pan Andean Resources PLC Ord 1p - £0.06 (4Ja95)
Perpetual(Jersey) Offshore UK Growth - $2.9535ϕ
Rangers Football Club PLC Ord 10p - £0.95
Scottish Pride Hldgs PLC Ord 10p - £0.35ϕ
Select Industries PLC New Ord 7½p (5p Pd) - £0.015 (4Ja95)
Severn Valley Railway(Hldgs)PLC Ord £1 - £0.68 (4Ja95)
Seymours Ld 4% Cum Ptg Prf £1 - £0½
Shepherd Neame Ld "A" Ord £1 - £7
Southern Newspapers PLC Ord £1 - £4.39
Southern Vectis PLC Ord 10p - £0.33 (3Ja95)
Surface Electronics Ld Ord 1p - £0.709 (3Ja95)
Sutton Harbour Hldgs Ld Ord 25p - £1¼ 1.26
Thwaites(Daniel)& Co PLC Ord 25p - £2.55
Tiaghur PLC Ord 5p - £0.03
Toad PLC Ord 10p - £0.87 (4Ja95)
Transense Technologies PLC Ord 1p - £0.97
Unimed PLC Ord Ir£0.25 - £1.65
VDC PLC Ord £1 - £4.26
Warburg Asset Management Jersey Mercury Intl Gold & General Fd - £1.81ϕ
Weetabix Ld "A" Non.V Ord 25p - £19¾ 19.05 19½ 19½ 20
Westmount Energy Ld Ord 10p - £0.15 (3Ja95)
Wynnstay Properties PLC 25p - £1.29 1.3

RULE 2.1 (a)(v)

Bargains marked in securities (not falling within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland.

Aust Found Inv A$1.9641(30.12)
Bank East Asia H$29.90876,29.751616(4.1)
Boise Cascade $27⅛(5.1)
Centaur Mining A$0.562625(5.1)
City Devs S$8.12898,8.145834(3.1)
Cold Storage Malaysia RM4.5227(30.12)
Cons Resources A$0.605(4.1)
Dainippon Screen Mfg Y759.4071(5.1)
Dulker Exploration £13.80ϕ,13.46,13.65(4.1)
Far East Hotels H$2.077634(5.1)
Keystone Intl 44(5.1)
Laurasia Res 9(3.1)
Leighton Hldgs A$1.977339(30.12)
Malayan Cement RM4.3714,4.40(3.1)
Nat Electronics Hldgs 4(4.1)
Nth Flinders Mines A$8.085395(4.1)
Petroleum Secs Aust 82½ϕ(4.1)
Sapphire Mines 6(4.1)
Singapore Land S$8.524542,8.567817(30.12)

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SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left.

You see, refugees are just like you and me.

Except for one thing.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a helping hand.

We know you can't give them back the things that others have taken away.

UNHCR
United Nations High Commissioner for Refugees

We're not even asking for money (though every cent certainly helps).

But we are asking that you keep an open mind. And a smile of welcome.

It may not seem much. But to a refugee it can mean everything.

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information
P.O. Box 2500
1211 Geneva 2, Switzerland

INT

LONDON STOCK EXCHANGE

MARKET REPORT

Bond markets lead equities in firmer session

By Terry Byland, UK Stock Markets Editor

The expected rise in US employment figures for December failed to stem a successful rally in UK stocks yesterday. Although the recovery in share prices leant heavily on the stock index futures sector, the final gain of 32.7 on the FT-SE 100 Index left it close to the day's high.

Takeover speculation revived in the regional electricity stocks following disclosure that Swiss Bank has built up an 8.4 per cent stake in Yorkshire Electricity, easing one of this week's downward pressures on the FT-SE Index.

Equities opened nervously as London braced itself for the US employment data and the Footsie was more than 12 points off in early trading. With selling still minimal and the Recs in better form, a recovery was established which reversed early losses at mid-session.

When it became clear that global investors had not been unduly shaken by the US employment data, London climbed steadily to show the Footsie with a gain of more than 35 points at the day's peak. Share prices topped off at the close to give a final reading on the FT-SE 100 Index of 3,065.0, for a net gain on the session of 32.7. The Dow Industrial Average was more than 20 points ahead when London closed.

Yesterday's recovery left the FT-SE 100 Index barely changed on a week which had at first seen the market weakened by profit-taking in some blue chip sectors combined with a generally poor level of trading volume which left many share prices unchallenged. Traders hoped that the lead given from the stock index futures sector would provide the basis for a wider-ranging improvement as business levels return to normal levels in the coming week.

Once again, the concentration on the Recs left the second line stocks lagging and the FT-SE Mid 250 Index closed only 6.3 points ahead at 3,479.6.

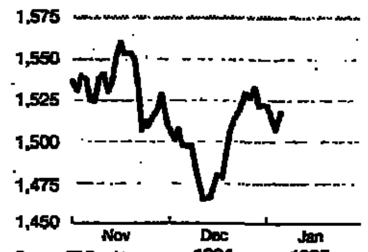
Gains in equities were fuelled by firmer performances from Government bonds in the second half of the session as UK debt stocks followed the firmer trend across European and US bond markets. Longer dated gilt-edged bonds closed with gains ranging to half a point. The recovery was seen as largely technical since the US employment statistics for December have done nothing to change market belief that the Federal Reserve will raise US interest rates at its Open Market Committee meeting at the end of the month.

Equity trading volume, at 510.1m shares, compared with 514.7m on Thursday and remained well below normal, non-holiday levels. But the all-important retail, or customer, business statistics continued to show a different picture. Thursday's retail business again topped the £1bn mark which is regarded as the rule of thumb sign of comfortably profitable trading for the London-based securities industry.

The first week of post-holiday trading closed last night with traders in more confident form, although many were still cautious over the role played by the stock index futures market. The underlying tone of the market has shown itself resilient and strategists now expect investors to respond to favourable investment fundamentals.

The response of global markets to yesterday's US employment figures has strengthened belief that further rises in US interest rates have been factored into share prices and may prove less damaging for markets than originally feared.

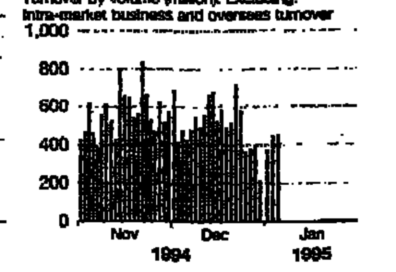
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



■ Key Indicators

Indices and ratios

FT-SE Mid 250	3479.6	+6.3
FT-SE-A 350	1534.8	+13.3
FT-SE-A All-Share	1519.14	+12.07
FT-SE-A All-Share yield	4.01	(4.04)
FT Ordinary index	2357.2	+25.4
FT-SE-A Non Fins p/e	17.91	(17.74)
FT-SE 100 Fut Dec	3091.0	+49.0
10 yr Gilt yield	8.74	(8.80)
Long gilt/equity yld ratio:	2.20	(2.19)

FT-SE 100 Index

Closing index for Dec 6	3065.0
Change over week	-0.5
Dec 5	3032.3
Dec 4	3051.6
Dec 3	3065.7
High*	3072.1
Low*	3019.9

*Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i†	437	335½	+1½	Lonrho	4,300	154½	+2
ASDA Group†	9,800	65¼	-½	Lucas	1,200	198	+1
Abbey National†	3,700	438½	+6½	MEPC†	2,300	389	-1
Albert Fisher	1,200	47	-	MFI	2,900	127½	+3½
Allied Domecq†	1,300	541	+7	Manweb	71	842	-18
Anglian Water	812	497	-8	Marks & Spencer†	2,100	398	+5½
Argos	339	345	+½	Midlands Elect.	115	792	-2
Argyll Group†	1,600	255	-	Morrison (Wm.)	384	139	
Arjo Wiggins†	2,700	295	+3	NFC	173	186	-1
Assoc. Brit. Foods†	242	572	+5	NatWest Bank†	4,500	498	+2
Assoc. Brit. Ports	573	270	+1	National Power†	1,600	481	+6
BAA†	807	485	+8	Next	2,500	263	+8
BAT Inds.†	4,800	450	+9	North West Water†	914	522	-5
BET	11,000	107½	+3½	Northern Elect.	1,700	978	-10
BICC	678	350	-4	Northern Foods	368	215	+3
BOC†	1,000	716	+6	Norweb	189	819	-6
BP†	3,600	431	+6½	Pearson†	1,200	556	+13
BPB Inds.	1,200	299	+9½	P & O†	1,300	567	-8
BT†	16,000	387½	+8	Pilkington	807	182	+1
BTR†	8,800	301½	+7½	PowerGen†	409	529	+3
Bank of Scotland†	2,300	205	-3	Prudential†	7,100	308	+3
Barclays†	2,200	609	+3	RMC†	346	941	+15
Bass†	1,400	529	+5	RTZ†	2,000	803	+1
Blue Circle†	671	282	+8	Racal	648	219	+1
Booker	331	390	-2	Rank Org.†	780	414	+8
Boots†	2,400	486½	+2½	Reckitt & Colman†	895	590	+1
Bowater†	753	429	+2	Redland†	383	467	+11
Brit. Aerospace†	2,400	436	+12	Reed Intl.†	4,500	793¼	-15½
British Airways†	9,500	383	+18	Rentokil†	448	232	+2
British Gas†	2,600	313	+3½	Reuters†	3,400	450	-5
British Land	1,300	367	-9	Rolls Royce†	1,900	171	-1½
British Steel†	7,800	152	-1	Ryl Bk Scotland†	1,200	392	+2
Bunzl	829	169½		Royal Insurance†	3,000	274	+1½
Burmah Castrol†	320	833	+7	Sainsbury†	2,400	418	+9
Burton	1,500	70½		Schroders†	3	1443	-5
Cable & Wire†	5,400	376		Scottish & New.†	403	503	+5½
Cadbury Schweppes†	808	433	+5	Scot. Hydro-Elect.	346	329	+2
Caradon†	288	255	+2	Scottish Power†	1,200	337	+1
Carlton Comms.†	387	895	+2	Sears†	5,900	106½	-1½
Coats Viyella	2,300	180½	-2	Sedgwick	406	150	
Comm. Union†	1,700	603	+5	Seeboard	727	449	-6
Cookson	2,900	234	+4	Severn Trent†	1,700	621	-6
Courtaulds†	282	447	+1	Shell Transport†	3,800	695	+3
Dalgety	7	416		Siebe†	2,200	550	-3
De La Rue†	1,200	985	+12	Slough Ests	394	217	-2
Dixons	4,400	198	+5	Smith (W.H.)	1,200	470	+3
Eastern Elect.†	460	773		Smith & Nephew†	133	154½	+½
East Midland Elect.	276	817	-2	SmKl Beecham†	2,800	484	+8
Electrocomps	1,200	476	+3	SmKl Beecham Uts.†	949	433	+8
Eng China Clays	443	361	-1	Smiths Inds.	872	449	+5
Enterprise Oil†	3,100	393	+3	Southern Elect.†	196	788	-5
Eurotunnel Units	1,400	315	+10	South Wales Elect.	125	875	-8
FKI	3,100	150	+2	South West Water	280	488	-10
Fisons	1,000	111	-1	South West. Elect.	12,000	852	-9
Foreign & Col. I.T.	1,800	134	+½	Southern Water	292	550	-12
Forte†	1,100	241½	+4½	Standard Chartd.†	9,300	262	-7
Gen. Accident†	758	518	+11	Storehouse	1,000	219	+7
General Elect.†	2,600	277½	+6½	Sun Alliance†	1,600	293	+6
Glaxo†	2,300	671	+14	T&N	1,400	160	
Glynwed	747	338		TI Group†	823	373	-3
Granada†	2,100	504	+2	TSB†	3,200	237	
Grand Met.†	4,900	404½	+7½	Tarmac	1,100	119	+2
GUS†	339	539	+11	Tate & Lyle	430	418	+4
GRE†	1,100	172	+7	Taylor Woodrow	37	123	+1
GKN†	689	575	-8	Tesco†	4,300	245	+7
Guinness†	1,800	449	+5	Thames Water†	2,000	483	-2
HSBC (75p shs)†	2,800	680	-3	Thorn EMI†	1,400	1029	+7
Hammerson	79	337	+3	Tomkins†	1,800	221	+4
Hanson†	6,300	243	+6½	Trafalgar House	783	73¼	-½
Harrisons Crosfield	1,000	145	+3	Unigate	1,400	342	+4
Hays	879	285	+2	Unilever†	1,000	1162	+10
Hillsdown	4,300	183	+6	United Biscuits†	1,300	324	+7
IMI	32	323	+2	Utd. Newspapers	154	481	
ICI†	1,200	782	+7	Vodafone†	7,300	202	+2½
Inchcape†	1,800	418	-3	Warburg (SG)†	167	684	-4
Johnson Matthey	150	541	-3½	Wellcome†	1,500	687	+20
Kingfisher†	681	[illegible]	+10	Welsh Water	606	838	-1
Kwik Save	675	549	-3	Wessex Water	555	279	-6
Ladbroke†	2,600	167½	+5½	Whitbread†	718	556½	+5½
Land Securities†	2,000	588	-3	Williams Hldgs.†	561	321	+2
Laporte	327	720	+1	Willis Corroon	450	143	+1
Legal & General†	312	425	+5	Wimpey	584	125	
Lloyds Abbey	264	341	+3	Wolseley†	602	772	-10
Lloyds Bank†	893	561	+6	Yorkshire Elect.	1,900	740	+10
LASMO	1,200	144		Yorkshire Water	57	501	-8
London Elect.	792	737	+8	Zeneca†	1,900	870	+7

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. All trades are counted. † Indicates an FT-SE 100 index constituent.

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures powered ahead in good volume, leaning on the cash market throughout the session and lifting the FT-SE 100 March contract to 3091 by the close of pit trading, *writes Jeffrey Brown.*

This represents an increase on the day of 48.5 points and leaves the March contract just about all-square on the week. The premium to the cash market was 26 points or some 12 points over fair value.

Dealers reported a very good two-way business. Trading volume was 14,133 contracts at the official close – against 10,054 on Thursday – rising to almost 15,000 in late screen-based trading.

There were a number of outstanding trades among stock options with BT running up 3,301 lots and Hanson achieving 2,244 lots.

Total stock option volume was slightly lower at 34,236 lots dealt. FT-SE and Euro FT-SE trading accounted for almost 15,000 lots.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3040.0	3091.0	+49.0	3098.0	3032.0	14939	55369
Jun	3076.5	3104.5	+49.5	3106.5	3076.5	121	3327

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	-	3508.0	+26.0	-	-	0	3965

■ FT-SE 100 INDEX OPTION (LIFFE) (*3064) £10 per full index point

	2900 C	2900 P	3000 C	3000 P	3050 C	3050 P	3100 C	3100 P	3150 C	3150 P	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P
Jan	183	3	136	6	93	12	54½	25½	25½	51	9	88	3½	135½	1	185½
Feb	207½	15	166	24	129	38	95	54½	64½	76½	43	106	28½	143	15½	188½
Mar	220½	30½	183	43	145	56	114	75½	84½	97	62½	125½	43	158	30	196½
Apr	236½	47	200½	60½	167½	77½	139	98	110½	120½	90	150	70	180	54½	216
Jun†	284	65			198	98			139½	140½			96	197		

Calls 5,014 Puts 5,213

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2925 C	2925 P	2975 C	2975 P	3025 C	3025 P	3075 C	3075 P	3125 C	3125 P	3175 C	3175 P	3225 C	3225 P	3275 C	3275 P
Jan	158½	4	112½	7½	71½	16½	39½	34½	18½	61½	5	100	1	145½	1	195½
Feb	182	16½	143	26½	108	41½	78	61	52½	85½	33½	116	20½	152½	12	193
Mar	196	32	159½	45	126½	61½	98	82	73	108½	52½	135½	35½	168	23½	205½
Jun	247½	73			184½	107½			131½	151½			89½	206		
Sept	285½	93			225	128½			172½	171½			128	223		

Calls 1,406 Puts 2,718 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 30 1994 based on Friday January 6 1994

Tobacco	+3.77	FT-SE-A Fledgling	+0.17	Leisure & Hotels	-0.50
Diversified Industrials	+3.11	Non-Financials	+0.13	FT-SE Mid 250 ex IT	-0.51
Transport	+1.57	FT-SE-A Fledgling ex IT	+0.12	Banks, Merchant	-0.55
Support Services	+1.24	Mineral Extraction	+0.00	FT-SE-A 350 Lower Yield	-0.60
Consumer Goods	+0.75	FT-SE 100	-0.02	FT-SE Mid 250	-0.63
Pharmaceuticals	+0.73	FT-SE SmallCap	-0.04	Utilities	-0.72
Insurance	+0.70	Distributors	-0.06	Retailers, Food	-0.90
Electronic & Elect Eqpt	+0.67	Gas Distribution	-0.07	Media	-1.18
Telecommunications	+0.66	Chemicals	-0.08	Financials	-1.28
Oil, Integrated	+0.60	Building Materials	-0.08	Engineering, Vehicles	-1.29
Textiles & Apparel	+0.59	FT-SE-A All-Share	-0.15	Investment Trusts	-1.59
Gen Industrials	+0.59	FT-SE-A 350	-0.16	Banks, Retail	-1.84
Health Care	+0.44	Retailers, General	-0.20	Building & Construction	-1.78
Breweries	+0.44	Services	-0.20	Life Assurance	-1.96
Food Producers	+0.33	Spirits, Wines & Ciders	-0.22	Electricity	-2.03
FT-SE SmallCap ex IT	+0.26	Engineering	-0.30	Property	-2.35
FT-SE-A 350 Higher Yield	+0.25	Oil Exploration & Prod	-0.41	Extractive Industries	-2.49
Household Goods	+0.24	Paper, Pckg & Printing	-0.50	Water	-3.01

Alert in Recs on SB move

News that Swiss Bank Corporation (SB) speaks for an 8.24 per cent stake in Yorkshire Electricity sent shares in the electricity distributor sharply ahead and fuelled further bid speculation for the sector. After the market closed SBC revealed it also held a 3.46 per cent stake in Northern Electricity, "as a marketmaker."

SBC said the stake was being held for marketmaking purposes. It is acting for Trafalgar in its hostile £1.2bn bid for Northern.

However, a more likely explanation was that the stake in Yorkshire had been acquired over the last few months. One dealer suggested that "this stake appears to be on offer to anyone considering bidding for Yorkshire."

An initial feeling that SBC may be acting for an immediate bidder, possibly Hanson, sent shares in Yorkshire racing forward early on in the session. At the day's peak they showed a gain of 25 before coming off the top to close 10 ahead at 740p, as dealers came to the view that there no bidder was likely to show their hand during the session.

The speculation once again ensured that bid talk returned to the sector and Mr Kevin Lapwood at Smith New Court which is about to publish a detailed note on the sector said: "These stocks remain cheap even with the current bid speculation."

Shares in Northern closed 10 lower at 978p, as the market continued to speculate that Trafalgar's bid will be referred to the Monopolies and Mergers Commission. Trafalgar shares eased ½ to 73¼p, while Hanson gained 6½ to 243p, in trade of 5.3m. **London Electricity** hardened 8 to 739p, boosted by the renewed bid talk.

Shares in **South Western Electricity** gave up 9 to 852p, after the group announced it had bought a further 5 per cent, around 6m, of its own shares to complete its share buy back programme. The shares, bought through BZW, were bought at 860p a share.

Publisher **Reed International** took a knock as one of the sector's leading analyst teams took a hard look at its forecasts and decided they were too demanding.

The move, by Smith New Court, apparently came as part of a sector wide review which partly reflects the pressure from increased paper prices and advertising margins. Dealers said the house cut its 1995 profit forecast for Reed by around 4 per cent to just below £700m.

The effect of the forecast cut was exacerbated by profit taking following the recent switching out of the company's Elsevier arm. Over the past month Reed has outperformed the broad market index by around 4 per cent. The shares ended the day down 15½ at 793¼p with turnover unusually high at 4.5m shares.

British Airways continued to advance in the wake of favourable traffic flow and load factor numbers. Amid a general fluffing up of profits estimates, NatWest Securities is the latest house to take a bullish stance, expecting the shares to show solid out-performance on a 12-month view.

They put on 18 to 383p in 9m turnover yesterday for a gain on the week of more than 7 per cent. Cruising along in the airline's slipstream, airports group BAA added a further 8 to 485p.

London turnover in Eurotunnel was a healthy 1.4m but activity in Paris topped 8m shares. The stock rose 10 to 315p, against 284p at the close last Friday.

BT was the most heavily traded Footsie share, running up 16m of turnover on the back of several big trades and a bullish note on pricing structure from Hoare Govett. The shares closed up 8 at 387½p.

Hoare Govett looks ahead to 1997 and to the potential benefits of changes in BT's price structure. Among a number of options, it speculates that OFTEL could eventually switch from the present RPI minus 7½ per cent system to a pricing system linked to earnings performance.

Mobile phones business **Vodafone** recovered 2½ to 202p in 7.3m turnover while cable group **TeleWest Communications**, floated in November at 182p, slipped 2 to 167p.

Leading internationally traded pharmaceutical issues, hard hit recently by profit taking, rebounded sharply in response to the derivatives-inspired rally in the market. **Wellcome**, which has suffered from concern over the impending consideration of its key anti-herpes treatment bounced 20 to 687p. **Glaxo** recovered 14 to 671p and **SmithKline Beecham** lifted 8 to 464p in the 'A's.

Weak spots among engineering shares included GKN and Rolls-Royce with the former hit by an attempt to place a large line of stock. James Capel was said to be handling the deal and GKN dipped 8 to 575p. Rolls, down 1½ at 171p, suffered from talk of potential problems with a big Indian power contract and rights issue worries should its $525m takeover of Allison Engine of the US get regulatory go-ahead.

Further reflection on the recent $1.8bn Airbus order helped lift **British Aerospace** which gained 12 to 436p in 2.4m trades.

Shares in **Ladbroke** hardened 5½ to 167½p, following a recommendation from NatWest Securities.

Sharp falls in the Hong Kong stock market on fears that the property market there could crash hit **Standard Chartered** which derives about 45 per cent of its profits from Hong Kong. The shares tumbled 7 to 262p in an otherwise strong market. **HSBC**, and **Cable & Wireless** were also affected by their links to the Hong Kong market. The former fell 3 to 680p while the latter was restrained to an unchanged 376p. The Hang Seng stock index fell nearly three per cent on news that developers were aggressively cutting apartment prices.

The recent positive trading statement from **Next** boosted the shares yesterday and they hardened 8 to 263p.

A profits warning from USM-listed **Rhino Group** left the shares trailing 2 at 17p.

Building materials shares moved ahead strongly with **RMC** gaining 15 to 941p following a profits upgrade by James Capel and Cazenove. **Redland** put on 11 to 467p, **BPB**, boosted by a press new year tip, gained 9½ to 299p and **Blue Circle** were 8 better at 282p. In each case, though, trading volume was nominal.

Insurance broker **Sturge Holdings** slipped 6 to 55p on news that an increasing number of Lloyd's of London underwriters expect premium rates to fall. The group owns several underwriting agencies at Lloyd's.

Integrated oil group **Burmah Castrol** gained 7 to 833p with dealers pointing to an SGST recommendation.

NEW HIGHS AND LOWS FOR 1994/95

NEW HIGHS (21).

BUILDING & CNSTRN (2) Pochins, Sheriff, DISTRIBUTORS (2) African Lakes, Findlet, ELECTRNC & ELECT EQUP (1) Crichley, ENGINEERING (1) Hadleigh Inds, ENG. VEHICLES (3) Automotive Precision, ERF, Hsh Permanent, EXTRACTIVE INDS (1) AFMIN, INVESTMENT TRUSTS (2) Gartbel, Sumit, LEISURE & HOTELS (1) Northern Leisure, MEDIA (1) Elsevier, OIL EXPLORATION & PROD (1) Aran Energy, OTHER SERVS & BUSNS (1) Greenway, PAPER, PACKG & PRNTG (1) Stora 'B', PROPERTY (1) TBI, RETAILERS, GENERAL (1) Stylo, SUPPORT SERVS (2) MITIE, Vega.

NEW LOWS (123).

GILTS (2) BANKS, MERCHANT (1) Cater Allen, BANKS, RETAIL (1) HSBC HK, BUILDING & CNSTRN (5) AMEC Prf., BB & EA, Countryside Props, Howard, Prowting, BLDG MATLS & MCHTS (3) Breedon, Lilleshall, Marley, DISTRIBUTORS (5) Bridgend, Charles Sidney, Hamlet, Perry, Wholesale Fittings, DIVERSIFIED INDLS (1) Hutch Whmp, ENGINEERING (3) Ash & Lacy, ML, Roxspur, EXTRACTIVE INDS (3) Emperor Mines, Equatorial Mining, Gold Mines Australia, FOOD PRODUCERS (1) Borthwicks, HEALTH CARE (1) Kynoch, INVESTMENT TRUSTS (72) INVESTMENT COMPANIES (3) China & East, Guangdong Devpt Wrts, JF Pacific Warrant, LEISURE & HOTELS (1) Cassidy Bros, MEDIA (2) News Corp, Pearson, OIL EXPLORATION & PROD (1) First Australian Res, OIL, INTEGRATED (1) Santos, OTHER FINANCIAL (1) FNFC Prf., PAPER, PACKG & PRNTG (1) Britton, PHARMACEUTICALS (1) Cantab Pharms., PROPERTY (4) BDA, Burford, Compco, Debenham Tewson & Chinnocks, RETAILERS, GENERAL (1) Rhino, SUPPORT SERVS (4) Chubb Security, Hogg Robinson, Johnson Cleaners, Reflex, TEXTILES & APPAREL (3) Albion, Alexandra Workwear, Faupel Trading, TRANSPORT (1) P & O Deld, CANADIANS (1) Echo Bay Mines.

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises

BPB Inds	299	+	9½
British Aerospace	436	+	12
British Airways	383	+	18
Cambridge Isotope	43	+	5
Coal Invs	88	+	11
Cowie	240	+	11
Domnick Hunter	259	+	9
Eurotunnel Uts	315	+	10
Everest	72	+	8
First Leisure	284	+	10
Geest	198	+	6
Hadleigh	148	+	10
Next	263	+	8
Vega	288	+	20
Virtuality	267	+	15
Wellcome	687	+	20

Falls

British Land	367	-	9
Cassidy Bros	78	-	6
Cray Electronics	150	-	5
Manweb	842	-	18
Standard Chartered	262	-	7
Sturge	55	-	6
Watmoughs	402	-	11

FT - SE Actuaries Share Indices — The UK Series

	Jan 6	Day's chge%	Jan 5	Jan 4	Jan 3	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994/95 High		1994/95 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3065.0	+1.1	3032.3	3051.6	3065.7	3446.0	4.20	7.25	16.29	0.54	1170.39	3520.3	2/2/94	2876.6	24/6/94	3520.3	2/2/94	986.9	23/7/84
FT-SE Mid 250	3479.6	+0.2	3473.3	3482.1	3496.2	3912.5	3.63	6.21	19.23	2.36	1311.90	4152.8	3/2/94	3363.4	27/6/94	4152.8	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	3487.1	+0.2	3479.0	3485.7	3500.7	3908.8	3.78	6.71	17.93	2.34	1312.83	4160.7	19/1/94	3362.4	27/6/94	4160.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1534.8	+0.9	1521.5	1529.9	1536.8	1725.8	4.07	7.01	16.89	0.45	1198.45	1778.3	2/2/94	1451.3	24/6/94	1778.3	2/2/94	664.5	14/1/86
FT-SE-A 350 Higher Yield	1561.3	+1.1	1544.5	1553.2	1560.2	1751.7	5.09	7.49	15.96	0.36	1002.71	1788.2	2/2/94	1442.4	24/6/94	1788.2	2/2/94	668.2	14/1/86
FT-SE-A 350 Lower Yield	1507.9	+0.6	1498.2	1506.2	1512.9	1657.5	3.04	6.52	17.94	0.53	994.31	1723.6	2/2/94	1422.6	24/6/94	1723.6	2/2/94	657.4	21/1/86
FT-SE SmallCap	1745.66	—	1745.58	1747.31	1747.65	1916.69	3.31	6.26	19.57	0.34	1364.74	2094.96	4/2/94	1727.66	14/12/94	2094.96	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	1720.40	+0.1	1718.31	1719.06	1718.62	1870.42	3.51	7.01	17.67	0.33	1349.52	2060.72	4/2/94	1687.06	14/12/94	2060.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1519.14	+0.8	1507.07	1514.80	1521.08	1705.99	4.01	6.95	17.07	0.43	1207.35	1764.11	2/2/94	1446.86	24/6/94	1764.11	2/2/94	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Jan 6	Day's chge%	Jan 5	Jan 4	Jan 3	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994/95 High		1994/95 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(26)	2678.31	+0.8	2657.58	2668.02	2683.99	2645.76	3.51	5.06	25.00	0.00	1081.69	2802.01	5/9/94	2439.96	31/3/94	2802.01	5/9/94	980.20	19/2/86
12 Extractive Industries(7)	3666.19	+0.3	3656.27	3723.58	3762.22	3884.66	3.30	5.31	23.31	0.00	1012.48	4107.55	2/2/94	3647.51	13/12/94	4107.55	2/2/94	1000.00	31/12/85
15 Oil, Integrated(3)	2668.72	+1.0	2642.75	2645.58	2659.21	2582.60	3.65	5.63	22.13	0.00	1102.07	2762.46	5/9/94	2349.96	30/3/94	2762.46	5/9/94	982.30	20/2/86
16 Oil Exploration & Prod(15)	1868.93	+0.4	1862.24	1867.16	1876.52	1941.61	2.62	‡	‡	0.00	1061.33	2088.43	27/4/94	1764.40	31/3/94	3944.10	8/8/90	650.30	28/7/86
20 GEN INDUSTRIALS(279)	1837.00	+0.9	1820.16	1823.68	1827.35	2079.71	4.23	5.77	20.72	0.14	944.96	2232.68	2/2/94	1773.48	13/12/94	2232.68	2/2/94	986.10	14/1/86
21 Building & Construction(36)	964.73	+0.4	961.13	964.32	971.34	1362.30	4.02	6.14	21.39	0.00	761.74	1568.10	8/2/94	941.84	14/12/94	2125.60	16/7/87	538.30	9/9/92
22 Building Matls & Merchs(32)	1766.77	+1.1	1748.31	1753.65	1763.81	2260.37	4.23	6.14	19.63	0.00	840.84	2393.22	24/1/94	1696.84	13/12/94	2393.22	24/1/94	954.80	9/9/92
23 Chemicals(23)	2260.66	+0.5	2248.53	2255.33	2268.45	2369.73	4.18	4.80	25.85	0.50	1010.31	2588.42	8/8/94	2198.18	13/12/94	2588.42	8/8/94	979.50	14/1/86
24 Diversified Industrials(16)	1790.85	+2.2	1752.40	1748.61	1740.11	2068.97	5.23	8.36	18.15	0.00	927.27	2231.57	2/2/94	1690.20	15/12/94	2231.57	2/2/94	984.80	21/1/88
25 Electronic & Elect Equip(36)	1865.96	+1.3	1842.86	1849.90	1853.18	2111.65	4.06	6.82	17.42	0.48	922.26	2263.38	4/2/94	1765.58	13/12/94	2263.38	4/2/94	986.80	29/9/88
26 Engineering(72)	1786.80	+0.1	1785.38	1792.83	1796.57	1855.39	3.37	5.47	21.47	0.20	1030.10	2011.17	2/2/94	1736.95	24/6/94	2011.17	2/2/94	982.80	10/11/87
27 Engineering, Vehicles(13)	2147.99	-0.4	2155.80	2159.47	2170.23	2296.19	4.66	1.60	80.00†	0.00	1051.48	2518.95	8/8/94	2095.34	28/6/94	2518.95	8/8/94	995.60	14/1/86
28 Paper, Pckg & Printing(26)	2730.61	+0.4	2718.39	2728.01	2744.73	2685.78	3.22	5.89	19.65	0.00	1081.03	3045.61	18/3/94	2621.19	4/1/94	3045.61	18/3/94	973.30	14/1/86
29 Textiles & Apparel(21)	1520.36	-0.5	1527.60	1524.06	1525.15	1887.53	4.45	6.45	20.13	0.00	870.47	2024.96	4/2/94	1491.25	14/12/94	2325.00	2/10/87	980.60	24/9/90
30 CONSUMER GOODS(94)	2809.50	+1.4	2770.20	2788.34	2798.37	3023.85	4.30	7.23	16.06	1.36	976.86	3048.76	24/1/94	2494.94	24/6/94	3080.00	22/12/92	967.50	14/1/86
31 Breweries(18)	2207.28	+1.0	2186.26	2201.81	2194.04	2386.50	4.34	8.10	14.90	10.13	1010.38	2464.52	19/1/94	2071.07	24/6/94	2484.52	19/1/94	962.00	14/1/86
32 Spirits, Wines & Ciders(10)	2727.55	+1.4	2689.83	2696.69	2724.47	3110.60	4.16	6.97	16.57	0.42	922.45	3225.93	24/1/94	2600.07	13/12/94	3467.00	11/5/92	967.50	14/1/86
33 Food Producers(23)	2319.73	+1.0	2296.40	2302.61	2315.03	2563.43	4.22	7.57	15.67	0.00	986.97	2686.64	19/1/94	2099.26	24/6/94	2600.64	19/1/94	946.10	14/1/86
34 Household Goods(10)	2376.83	+0.1	2373.89	2367.47	2373.40	2602.42	3.74	7.49	16.07	0.00	860.98	2694.14	18/2/94	2273.87	12/12/94	2694.14	18/2/94	927.10	21/1/86
36 Health Care(19)	1575.29	+0.3	1570.88	1569.56	1572.00	1824.64	3.17	3.41	41.28	0.00	919.95	1908.13	19/1/94	1535.37	13/12/94	2047.40	28/9/87	972.60	21/1/86
37 Pharmaceuticals(13)	3283.64	+1.8	3225.06	3271.64	3287.03	3157.93	4.10	6.54	17.69	0.00	1053.41	3359.89	21/12/94	2841.70	1/6/94	4168.90	14/1/92	953.70	13/1/86
38 Tobacco(2)	3747.58	+1.9	3677.80	3669.84	3643.67	4718.86	5.73	9.72	11.23	0.00	854.85	4718.86	7/1/94	3120.74	24/6/94	4738.83	29/12/93	982.00	9/1/86
40 SERVICES(232)	1888.58	+0.9	1872.36	1882.99	1888.68	2143.29	3.31	7.02	17.00	1.11	936.57	2207.77	19/1/94	1821.29	12/12/94	2207.77	19/1/94	944.90	23/1/86
41 Distributors(32)	2492.21	+0.3	2484.86	2482.16	2491.03	3046.19	3.75	12.41	9.78	0.00	870.87	3319.33	2/2/94	2450.36	5/10/94	3319.33	2/2/94	988.50	21/1/86
42 Leisure & Hotels(29)	2118.18	+1.2	2092.25	2112.54	2121.01	2221.57	3.35	5.24	22.26	6.99	1053.86	2360.62	17/2/94	1994.16	6/7/94	2380.62	17/2/94	975.40	21/1/86
43 Media(43)	2766.42	-0.3	2774.03	2783.69	2796.06	3043.56	2.54	5.58	19.78	1.76	963.86	3349.11	17/2/94	2675.11	27/6/94	3349.11	17/2/94	976.20	9/1/86
44 Retailers, Food(14)	1749.79	+1.4	1726.40	1749.37	1762.24	1844.85	3.76	9.11	13.47	0.00	1055.96	1914.20	19/1/94	1511.94	25/4/94	2238.20	28/1/93	917.40	21/1/86
45 Retailers, General(45)	1579.40	+1.2	1561.06	1573.02	1573.06	1883.14	3.38	7.36	16.87	0.00	858.62	1910.67	4/1/94	1485.20	12/12/94	1934.24	29/12/93	870.10	9/12/88
48 Support Services(36)	1481.61	+0.6	1473.23	1471.06	1467.88	1736.23	2.63	6.38	18.45	0.00	907.35	1866.43	2/2/94	1440.50	15/12/94	1866.43	2/2/94	939.00	1/2/91
49 Transport(21)	2240.13	+1.3	2210.52	2207.41	2215.58	2701.07	3.80	6.29	18.73	0.00	884.79	2805.98	3/2/94	2133.97	13/12/94	2805.98	3/2/94	960.00	14/1/86
51 Other Services & Business(8)	1248.18	—	1248.54	1242.97	1241.77	1219.25	3.49	3.80	37.70	2.62	1085.28	1369.58	10/2/94	1130.62	21/4/94	2458.30	16/7/87	983.10	14/1/86
60 UTILITIES(37)	2398.63	+0.6	2384.04	2398.33	2419.98	2888.64	4.47	7.79	15.63	0.77	942.68	2782.33	2/2/94	2100.82	24/6/94	2782.33	2/2/94	802.58	3/10/86
62 Electricity(17)	2530.86	+0.1	2528.13	2598.62	2591.54	2497.00	3.85	9.92	12.02	0.00	1074.46	2754.74	30/8/94	2024.12	24/6/94	2754.74	30/8/94	995.30	7/1/91
64 Gas Distribution(2)	2071.10	+1.1	2048.34	2073.93	2092.25	2369.77	5.79	‡	‡	0.00	972.78	2369.77	7/1/94	1684.20	24/6/94	2379.30	16/12/93	994.80	9/12/86
66 Telecommunications(5)	1978.15	+1.4	1951.20	1952.37	1960.85	2402.35	4.13	7.55	16.18	0.00	858.52	2450.42	2/2/94	1894.88	1/6/94	2481.20	29/12/93	802.50	3/10/86
68 Water(13)	1765.03	-1.2	1786.09	1797.23	1813.85	2027.35	5.67	13.90	7.83	4.62	900.00	2126.79	3/2/94	1588.71	27/6/94	2126.79	3/2/94	924.70	1/5/90
69 NON-FINANCIALS(667)	1647.89	+1.0	1632.21	1640.21	1647.09	1816.17	3.99	6.68	17.91	0.54	1177.41	1870.36	2/2/94	1582.89	24/6/94	1870.36	2/2/94	83.49	13/12/74
70 FINANCIALS(118)	2119.55	+0.3	2114.23	2127.12	2138.41	2589.17	4.54	9.53	12.21	0.00	846.27	2737.13	4/2/94	2034.74	24/6/94	2737.13	4/2/94	972.20	23/1/86
71 Banks, Retail(9)	2807.04	+0.1	2804.04	2824.57	2834.45	3354.79	4.33	10.20	11.22	0.00	845.32	3601.55	4/2/94	2615.77	8/7/94	3601.55	4/2/94	950.80	23/1/86
72 Banks, Merchant(6)	2935.21	-0.3	2945.36	2984.10	2950.37	3470.49	3.79	9.50	12.28	0.00	891.48	3761.29	2/2/94	2562.02	4/10/94	3761.29	2/2/94	982.80	27/1/86
73 Insurance(27)	1156.87	+1.4	1140.10	1145.26	1149.35	1586.30	5.40	10.19	11.20	0.00	799.23	1683.51	24/1/94	1138.79	12/12/94	1624.20	29/12/88	870.80	25/8/92
74 Life Assurance(6)	2305.64	+0.8	2287.69	2292.10	2328.98	2667.57	5.54	8.08	15.09	0.00	892.39	2921.37	19/1/94	2180.61	1/6/94	2921.37	19/1/94	967.70	23/1/86
77 Other Financial(23)	1850.90	+0.1	1848.26	1848.72	1843.29	1985.40	4.03	7.75	15.51	0.00	989.91	2279.35	4/2/94	1752.83	4/7/94	2279.35	4/2/94	858.30	1/10/90
79 Property(46)	1376.41	-0.4	1381.97	1392.91	1403.57	1772.55	4.36	7.72	16.21	0.00	798.64	1866.56	4/2/94	1315.79	13/12/94	2132.40	5/8/89	718.40	16/9/92
80 INVESTMENT TRUSTS(133)	2665.57	-0.4	2664.96	2681.18	2686.63	3058.53	2.34	2.03	49.15	1.40	897.71	3184.31	2/2/94	2616.98	27/6/94	3184.31	2/2/94	977.20	14/1/86
89 FT-SE-A ALL-SHARE(818)	1519.14	+0.8	1507.07	1514.80	1521.08	1705.99	4.01	6.95	17.07	0.43	1207.35	1764.11	2/2/94	1445.85	24/6/94	1764.11	2/2/94	61.92	13/12/74
FT-SE-A Fledgling	1001.71	+0.1	1000.90	1001.48	1001.55	-	2.88	-	-	0.41	1002.12	1001.71	6/1/95	1000.09	30/12/94	1001.71	6/1/95	1000.00	30/12/94
FT-SE-A Fledgling ex Inv Trusts	1001.20	—	1001.62	1002.03	1002.01	-	3.05	-	-	0.49	1001.69	1002.03	4/1/95	1000.00	30/12/94	1002.03	4/1/95	1000.00	30/12/94

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3027.0	3023.6	3025.2	3036.2	3045.6	3049.0	3045.9	3050.9	3064.7	3067.9	3019.9
FT-SE Mid 250	3472.1	3470.5	3465.8	3469.4	3472.0	3473.5	3471.3	3473.5	3478.1	3479.6	3464.7
FT-SE-A 350	1519.4	1517.9	1518.0	1522.6	1526.5	1528.0	1526.6	1528.7	1534.5	1535.6	1516.3

Time of FT-SE 100 High: 3.54pm Low: 9.11 am

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	892.7	892.7	892.7	892.9	897.5	898.1	898.1	898.6	898.1	899.1	893.3	+5.8
Pharmaceuticals	3196.3	3194.0	3205.3	3218.3	3235.2	3239.1	3230.3	3233.3	3260.0	3259.5	3200.4	+59.1
Water	1783.3	1783.5	1771.8	1773.9	1760.5	1760.6	1751.5	1753.7	1759.7	1761.5	1783.1	-21.6
Banks, Retail	2824.4	2811.9	2813.1	2817.0	2825.2	2824.5	2821.8	2827.8	2841.8	2842.9	2839.8	+3.1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE Total Return Indices	31/12/92	1000.00	FT-SE-A 350	31/12/85	682.94	Water	29/12/89	1000.00	FT-SE-A Sectors' Total Rtn	31/12/93	1000.00
FT-SE SmallCap & ex I.T.s	31/12/92	1363.79	FT-SE-A 350 Higher Yield	31/12/85	682.94	Non-Financials	10/4/62	100.00	Oil Exp & Prod Total Rtn	31/12/93	1047.33
FT-SE Mid 250 & ex I.T.s	31/12/85	1412.60	FT-SE-A 350 Lower Yield	31/12/85	682.94	FT-SE-A All-Share	10/4/62	100.00	FT-SE-A Fledgling	30/12/94	1000.00
FT-SE 100	31/12/83	1000.00	Electricity	31/12/90	1000.00	All Other	31/12/85	1000.00	FT-SE-A Fledgling ex Inv Tsts	30/12/94	1000.00

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditor: The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 07.01.95 Pool purchase price £/MWh	Final Prices for Trading on 10.12.94 Pool purchase price £/MWh	Pool selling price £/MWh
0030	10.05	9.09	9.09
0100	62.59	9.59	12.88
0130	46.50	20.47	23.76
0200	62.59	20.47	23.76
0230	40.88	9.26	9.26
0300	40.88	8.12	8.12
0330	40.88	9.09	9.09
0400	40.88	8.92	8.92
0430	10.05	8.90	8.90
0500	10.00	8.90	8.90
0530	10.00	8.90	8.90
0600	29.33	8.92	8.92
0630	29.33	8.93	8.93
0700	29.33	8.83	8.83
0730	29.33	9.08	9.08
0800	29.33	9.32	12.61
0830	29.33	9.32	12.61
0900	29.33	17.77	21.06
0930	31.59	30.11	33.40
1000	33.69	36.54	39.83
1030	33.69	47.00	50.29
1100	46.95	47.00	50.29
1130	46.95	36.54	39.83
1200	46.95	36.54	39.83
1230	46.95	36.54	39.83
1300	33.69	29.14	32.44
1330	30.73	39.90	43.19
1400	30.73	39.90	43.19
1430	30.73	9.26	9.26
1500	30.73	9.12	9.12
1530	30.73	9.06	9.06
1600	30.73	10.16	10.16
1630	30.74	27.52	30.81
1700	46.04	42.05	45.34
1730	74.39	52.51	55.80
1800	74.38	52.51	55.80
1830	50.24	52.50	55.79
1900	45.79	43.67	46.96
1930	38.52	39.90	43.19
2000	38.52	38.42	41.71
2030	30.73	28.17	31.46
2100	30.30	17.90	21.20
2130	30.30	9.32	12.61
2200	9.90	9.32	12.61
2230	9.91	9.06	9.06
2300	9.90	8.91	8.91
2330	8.85	8.89	8.89
2400	8.81	8.88	8.88

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.86/MWh becomes 1.886p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0802-456789 between 8.30am and 5.15pm Monday to Friday.
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LONDON SHARE SERVICE

BANKS, MERCHANT

Notes	Price	+ or -	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Barings 9pc Cm 2nd Pf	96	+½	117	88¼	12.0	10.4	–
9¼pc Non-Cum Pf	118¾	+⅛	137½	107	46.5	10.5	–
Cater Allen	445xd	–1	*630¼	443	145.1	7.9	9.2
Close Bros.	223	----	*285½	203	212.3	4.2	10.1
Gerrard & Nat.	480	+1	616	395	233.8	6.2	13.9
Hambros	240	+2	473	209	423.6	7.8	14.7
7½pc Cv Pf	104	----	181	99½	134.0	9.0	–
Joseph (L)	408	----	443	400	21.4	5.4	11.9
King & Shaxson	103xd	----	170	103	17.9	10.9	10.2
Kleinwort Benson	548	–5	683	424	731.0	4.4	9.7
Rea Bros	68	----	79	53	28.0	1.8	18.5
Schroders	1443	–5	1974	1050	1,443	1.6	13.2
N/V	1310	–8	1468	1043	379.9	1.8	12.0
Singer & Fried	66	----	114	75	187.0	4.6	11.1
Union	92	–1	*199	87	24.5	6.1	8.5
Warburg (SG)	684	–4	1012	569	1,504	4.0	12.5
Wintrust	215	----	390	203	18.2	6.0	14.4

BANKS, RETAIL

Notes	Price	+ or -	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	£22½	–⅛	£28⅜	£19⅞	8,888	5.0	Φ
ANZ A$	203	–3	278¾	171	2,701	6.1	Φ
Abbey National	438½	+6½	523	380½	5,753	4.4	14.7
Allied Irish I£	272	----	314	233	1,813	4.6	10.5
Anglo Irish I£	53xd	----	*78	50	182.4	8.3	9.7
Asahi Y	730¼	–8½	819⅛	628	16,968	0.6	Φ
Banco Bil Viz Pta	£16⅜	–⅛	£17	£14⅞	3,717	5.2	7.1
Banco Sant Pta	£24⅛	----	*£30½	£23¼	3,721	5.8	8.6
Bk Ireland I£	301xd	----	*319	248	1,458	4.8	8.7
Bank Scotland	205	–3	247	172½	2,398	3.2	11.6
9¼pc Pf	117	+¼	141½	106	117.0	9.9	–
9¾pc Pf	123	+¼	148½	111¼	123.0	9.9	–
Barclays	608	+3	640	487	9,957	3.4	14.9
Dai Ichi Kan Y	£11⅞	–⅞	£12⅞	£10⅞	35,982	0.5	–
Deutsche DM	£285½	+3⅛	£344¼	£270⅞	14,018	2.3	–
[illegible]							

BREWERIES

[illegible]

BUILDING & CONSTRUCTION

[illegible]

BUILDING MATS. & MERCHANTS

[illegible]

BUILDING MATS. & MERCHANTS - Cont.

Sharpe & Fisher	[illegible]						
Shaw (A)	[illegible]						
Spring Ram	[illegible]						
Sycamore	[illegible]						
Tarmac	[illegible]						
Tilon	[illegible]						
Travis Perkins	[illegible]						
Tudor	[illegible]						
Unigroup	[illegible]						
Universal Ceramic	[illegible]						
Waterhouse	[illegible]						
Wickes	[illegible]						
Wolseley	[illegible]						

CHEMICALS

AGA SKr	[illegible]						
Akzo Fl	[illegible]						
Allied Colloids	[illegible]						
Amber Ind	[illegible]						
BASF DM	[illegible]						
BOC	[illegible]						
BTP	[illegible]						
Bayer DM	[illegible]						
Brent	[illegible]						
British Vita	[illegible]						
Cambridge Iso	[illegible]						
Canning (W)	[illegible]						
Cementone	[illegible]						
Warrants	[illegible]						
Courtaulds	[illegible]						
Croda	[illegible]						
Doeflex	[illegible]						
Engelhard S	[illegible]						
European Colour	[illegible]						
[illegible]							

DISTRIBUTORS

[illegible]

DIVERSIFIED INDUSTRIALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONIC & ELECTRICAL EQPT

[illegible]

ELECTRONIC & ELECTRICAL EQPT - Cont.

[illegible]

ENGINEERING

[illegible]

ENGINEERING, VEHICLES

[illegible]

ENGINEERING, VEHICLES - Cont.

[illegible]

EXTRACTIVE INDUSTRIES

[illegible]

FOOD PRODUCERS

[illegible]

GAS DISTRIBUTION

[illegible]

HEALTH CARE

[illegible]

HEALTH CARE - Cont.

[illegible]

HOUSEHOLD GOODS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

هكذا من الأصل

مكتبة المراصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

INVESTMENT COMPANIES - Cont.

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

OIL EXPLORATION & PRODUCTION

OIL EXPLORATION & PRODUCTION - Cont.

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PROPERTY

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£33	–1	£34	£13½	2,182	2.2	24.2
Barlow	♣	£5⅝xd	+⅛	£5¾	£3⅜	1,128	1.8	18.9
Gold Flds Prop R		130xa	—	136	75	13.9	6.9	ϕ
NK Props.		85	–10	98	85	3.42	14.3	–
SASOL	♥	537	+5	582	280	3,887	2.6	–
SA Brews	†	£15⅛	—	£16⅛	£10	4,180	2.0	23.2
Tiger Oats		783xd	—	838	538	1,147	2.0	17.7
Tongaat-Hulett	††	704	—	*725	356¼	641.6	2.1	20.3

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ϕ Figures or report awaited
- ♥ Rule 2.1(a)(v) Overseas Incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- [illegible] USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Rule 4.2(a) UK & Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- [illegible] Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other offical estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1995.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1995-96.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1275 a year for each security shown, subject to the Editor's discretion

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FT Cityline

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FINANCIAL TIMES
Weekend January 7/January 8 1995

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CONTRACT PURCHASE
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CENTRAL 0345 585840
SCOTLAND 01738 625 031

Yeltsin clamps down on dissent as war costs rise

By Chrystia Freeland in Moscow

Russian President Boris Yeltsin yesterday lashed out at his senior ministers and said he would sack the director of the state television station, as the costs of the Kremlin's continuing campaign to subdue Chechnya mounted.

Mr Yeltsin told the Security Council, the secretive 12-man body which dominates Russian politics, that it must set a date for the end of military action in Chechnya. Russian forces entered the north Caucasus republic on December 11. But yesterday Chechens were still in control of the capital Grozny.

President Bill Clinton yesterday joined the cluster of international leaders expressing alarm at the loss of civilian life in the Russian assault. But in a personal letter to Mr Yeltsin questioning Russian military tactics, he recognised Moscow's territorial rights over the republic.

In an implicit rebuke of General Pavel Grachev, Russia's defence minister, Mr Yeltsin demanded at yesterday's council meeting to know why his order on Wednesday to halt bombing raids on Grozny was not being followed.

Mr Yeltsin, under increasingly strident criticism from the west over the carnage in Chechnya, said the halt to the bombings "was announced to the entire world and all of Russia knows about it, but there is information that they [the bombings] have not been stopped".

The president also clamped down on dissent yesterday, saying he planned to sack Mr Oleg Poptsov, head of the state television station.

Mr Poptsov said he did not know if the decree sacking him had yet been signed, but said he expected to be fired today. He attributed his dismissal to his television station's vivid broadcasts of the fighting in Chechnya, which have often contradicted official claims and helped to turn public opinion against the war.

"The president and those close to him are breaking the mirror because of their own disfigurement," Mr Poptsov said. "This does not cure the sickness. Glasnost is ending and we are returning to the rules of the Soviet period."

The moves came as the economic and personal costs of the war continued to mount. Russian newspapers and agencies have estimated Russian casualties in the fighting to date at anywhere from 256 to more than 1,000.

Another victim is the Russian currency, which has fallen 2.7 per cent over the past two days to a rate of 3,661 roubles to the dollar. The Russian central bank, which dealers estimate has spent at least $200m over the past two days to prevent a larger fall, raised its key refinancing rate to a nine-month high of 200 per cent, up from 180 per cent.

"The Russian economy has started to feel the consequences of the Chechen crisis," Mr Alexander Livshits, the president's chief economic adviser said. He warned that the costs of the conflict were increasing inflationary pressures.

Yeltsin's ambitions, Page 2

Northern Electric questions SBC stake in utilities

By Nicholas Denton and Michael Smith

Northern Electric yesterday demanded an explanation for the 8.24 per cent stake in a neighbouring electricity company built up by Swiss Bank Corporation. SBC is advising Trafalgar House in its £1.2bn bid for Northern.

Swiss Bank refused to comment on its motives for buying the 17.2m shares, but rival investment banks suggested the purchases could be linked to a bid for Northern Electric by Trafalgar House, in which SBC is acting as an adviser to the bidder.

It also emerged that SBC had acquired stakes in other UK regional electricity companies, including Northern (3.46 per cent) and Southern Electric, Seeboard and London Electricity (all less than 1 per cent).

Mr David Morris, Northern chairman, yesterday said it was an "extraordinary turn of events".

Before Trafalgar launched its bid for Northern last month, it entered into an innovative "contracts for differences" deal with Swiss Bank's merchant banking arm, under which Trafalgar would benefit if the share price of various electricity companies rose. It is understood that the contracts did not specifically involve the purchase of Yorkshire shares. Moreover, the Swiss Bank stake in Yorkshire is much bigger than any of the "contracts for differences".

Mr Morris asked: "Is the Yorkshire stake part of the contracts for differences arrangements? What other regional electricity companies are involved?"

Yorkshire said SBC had told it that the stake, built up by December 30, was held as part of its market-making (trading) activities.

Yorkshire said it had disclosed the stake because of bid speculation surrounding electricity companies.

Swiss Bank analysts have taken a bullish view of the electricity sector but the bank said any detailed comment would "prejudice our trading position".

But City of London brokers said 8.24 per cent was an unusually large stake for a market maker.

SBC has followed the usual practice in derivatives transactions – such as "contracts for differences" deals – of hedging or offsetting its risk over the Trafalgar House deals by buying electricity shares. If the sector's share price level rises, SBC would be able to sell the underlying shares at a profit and thus meet the cost of fulfilling its derivatives contracts with Trafalgar House.

As a market-maker, SBC is not subject to the legal obligation of corporations, and agents of corporations, to disclose shareholdings of more than 3 per cent.

THE LEX COLUMN

Swiss Bank shock

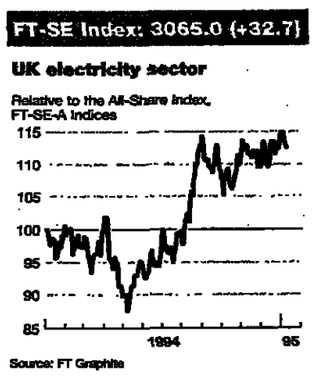
Swiss Bank Corporation had already expressed confidence in the UK's regional electricity companies, as adviser on Trafalgar House's bid for Northern Electric. But the strength of its conviction only became clear yesterday. A substantial investment in both Yorkshire and other recs is an exceptional affirmation of faith.

This could be highly profitable to SBC. Although the bid may be referred to the Mergers and Monopolies Commission, this can only delay the sector's eventual consolidation. SBC, given the range and size of its electricity portfolio, will be the first port of call for any interested bidders.

There are also potential windfalls for its client. SBC's quasi-option contracts with Trafalgar give the British company the benefits of buying a stake in Northern before the bid. But they carry few of the risks of such a move, should the offer fail.

The SBC move will inevitably place a spotlight on the continuing strength of its Chinese walls. SBC's market making arm is permitted to increase its 3 per cent Northern stake without further disclosure. But where would Trafalgar buy shares if it decided to build its own stake? And how has SBC's derivatives team hedged the options contracts on Rec shares, if the the group's stakes in these companies are market making positions?

There is one further dilemma. Having demonstrated that electricity companies are highly attractive, it could become more difficult for SBC to persuade Northern shareholders not to demand a higher offer. In helping itself, SBC risks helping its client's adversary.



UK motor industry

Eight quarters of economic growth in the UK and the automotive sector is stuttering. Year on year sales dropped in December; demand from individuals during the last quarter dropped 12.2 per cent, a clear reflection of consumers' changing psychology. Concerned about economic prospects, worried about job security and convinced about the increased longevity and reliability of second-hand vehicles, they are forsaking the new car market. True, the corporate fleet market is taking up some of the slack, but much of the growth in such sales is a one-off effect of postponed replacements. Fleet sales cannot be relied upon to shore up the market indefinitely.

Boosting exports does not represent a complete response to the UK industry's plight. Although the proportion of output sent overseas has increased from only 25 per cent to nearly 40 per during the past five years, there is overcapacity on the Continent too, meaning margins are often meagre.

One possible response would be the introduction of a scrapping subsidy. This would involve paying consumers a fee to scrap old vehicles, as long as they bought another car. The move would probably be revenue positive because of the value added tax generated on additional sales in the used car market. It would also be environmentally sound because it would remove the most heavily polluting vehicles from the roads. The main drawback would be an increase in imports. But if such an important motor for UK economic growth as the automotive industry started to stall, that might be a price worth paying.

Stanhope Properties

The apparent inability of Stanhope's bankers to agree on what to do with the property developer has been surprisingly well rewarded. Riven by a degree of confidence in the property market and by a desire to wash their hands of another bad loan, they have struggled to make a decision. In the meantime, the value they have been offered for their £148m debt has risen by close to £20m to around £122m. But with Stanhope technically insolvent, and shareholders anxious to discover if their shares retain any value, the banks have reached crunch time.

Having signed up a four-year £160m credit facility in January 1993, when the property market was profoundly depressed, it would seem surprising for the banks to pull the plug on Stanhope now. But at the same time, they are only being offered 82.5 per cent payment for loans to a company that has a positive worth.

Confidence in the property market might tempt them to call the receivers, but they should consider that Stanhope has been on the auction block for 14 months, and has failed to attract a higher bidder. Property companies are generally better market readers than banks.

In addition, PosTel has recently been switching direct property investments in exchange for equity in property companies. This desire for liquid investments suggests that it would not be interested in buying a slice of Stanhope's major asset, half of Broadgate. Bankers will have to be pretty confident about recovering office prices for them to call in the receivers.

Hong Kong

There should be no surprise at the move by Hong Kong's property developers to slash prices. With further interest rate rises to come, given the currency link to the US dollar, speculative demand for residential property has long been waning. Given the reliance of stock market profits on property and property-financing, a knock-on effect on share prices was inevitable.

The sharp reduction in prices will hurt small highly geared property developers and individual speculators. This could feed through into bank earnings. Add in concerns over US-China trade relations, and the stock market looks set for further falls.

Concern over the property market should not, however, be over done. The large developers which slashed prices have the benefits of low gearing and cheap land banks, so they can afford to take far more pain. Moreover, investors should not assume that Hong Kong's property bubble has finally burst. The large developers have been increasingly concerned at government moves to take the fizz out of the market. It has increased the supply of new land, reduced credit available to buyers, and regulated the tradition of selling property some time before completion. Market turmoil would provide developers with a convenient counter-argument. Several government land auctions are coming up, so it could also create a few bargains. And as Chinese austerity measures ease later this year, mainland money may then return to the market.

Lucas

Continued from Page 1

work hard to convince customers that our quality is as good as we think it is."

Lucas said last May that it was under investigation by the Pentagon for allegedly supplying gearboxes from Lucas Western's Utah plant that fell below specified standards for the US Navy's F/A-18 fighter aircraft. The company has now, for the first time, admitted falsifying test records on the gearboxes and on drive units for the US Army's multiple-launch rocket system.

Mr Grant said testing procedures on such equipment had over a number of years become "sloppy" at Lucas Western. Records were falsified so that it appeared the testing had been carried out.

The criminal penalty covers the testing irregularities, and the forthcoming civil settlement, due by this summer, will cover any damages sustained by customers through use of the parts.

Mr Grant said there was no evidence to support repeated claims in the US press that the gearboxes had caused emergency landings or any other in-service problems – this would increase damages in the civil case.

Lucas shares rose 1p yesterday after the company said a provision in its 1994 accounts was adequate to cover yesterday's settlement and the civil case.

France set to reopen links with Baghdad

By Andrew Jack in Paris, Jurek Martin in Washington and Bruce Clark in London

France said yesterday it would soon re-establish a limited diplomatic presence in Iraq, drawing a sharp rebuke from the US and Britain for relaxing pressure on Baghdad.

Diplomats said the move could start a series of disputes among UN Security Council members over sanctions against Iraq in the coming months. France and Russia want an early easing of the ban on Iraqi oil exports, while the US and Britain have resisted this pressure.

Mr Alain Juppé, the French foreign minister, said yesterday France would shortly open an "interest section" at the Romanian embassy in Iraq. This would imply sending a small number of French representatives to work in Baghdad under the Romanian mission's auspices.

The US State Department said of the French decision: "We do not believe that this is a timely action. We don't consider the particular decision to be helpful or constructive."

The US itself maintains an interest section at the Polish embassy in Baghdad, but it is the only major western country to do so.

A British foreign office spokesman said: "This is not the moment to relax pressure on Iraq to comply fully with UN requirements." He said France had informed London in advance of its intentions, but it had not consulted its European Union partners.

Mr Juppé announced his decision after a meeting with Mr Tariq Aziz, the Iraqi deputy prime minister, who was the most senior official from Baghdad to be received in Paris since the Gulf War in 1991.

Mr Juppé said there were no benefits from continuing the UN sanctions. He said Iraq had made progress towards meeting the conditions for lifting sanctions.

France and Russia have argued that, under UN resolutions, the ban on Iraqi oil exports can be lifted as soon as Baghdad conforms with international demands for disarmament. However, the US has insisted on much broader conditions.

Russia has indicated that, in April, it will propose a temporary lifting of the oil embargo in order to let Baghdad procure goods that are needed for humanitarian purposes.

UK consumer borrowing

Continued from Page 1

retailers Next, Boots and the John Lewis Partnership this week have been more upbeat.

This provides supporting evidence of a late pre-Christmas surge in sales. The Bank's statistics on mortgage lending indicated a limited desire on the part of borrowers to take on long-term commitments.

Net new mortgage lending was a seasonally adjusted £1.66bn in November, up about £100m on net new lending in October last year and in November 1993.

Seasonally adjusted statistics for loans approved but not undertaken also indicated a cautious outlook.

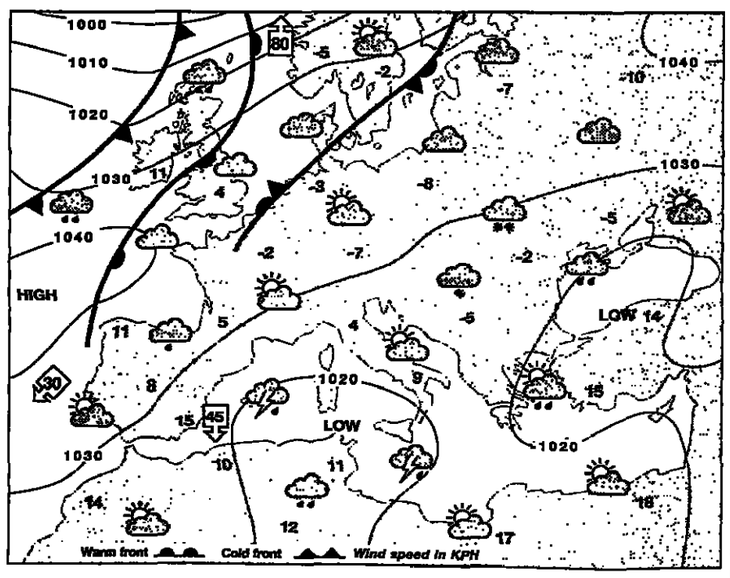
FT WEATHER GUIDE

Europe today

The British Isles will have outbreaks of rain in northern areas, while southern England will be sunny with patchy cloud.
High pressure over Russia will result in settled conditions over central Europe and France where wind will be light and cloud will be interspersed with sunny spells.
Meanwhile, low pressure will develop in the Mediterranean producing showers, some with thunder, in Corsica and southern Italy.
Low pressure over Turkey will bring sunny periods, spreading to Greece. However, snow or rain will develop in Bulgaria and Romania.

Five-day forecast

Active low pressure systems will develop in Scandinavia and the central Mediterranean bringing scattered showers or rain to western and central Europe and Italy.
Wintry showers are expected in the UK, but later in the week conditions will be more settled with sunny periods.
High pressure will promote dry conditions in eastern Europe, but there will be plenty of rain in the eastern Mediterranean.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius															
Abu Dhabi	sun	22	Beijing	fair	6	Caracas	fair	29	Faro	sun	16	Madrid	fair	9	Rangoon	sun	31
Accra	fair	31	Belfast	cloudy	8	Cardiff	cloudy	5	Frankfurt	fair	-4	Majorca	cloudy	11	Reykjavik	snow	1
Algiers	rain	11	Belgrade	fair	-4	Casablanca	fair	15	Geneva	cloudy	-1	Malta	shower	13	Rio	cloudy	25
Amsterdam	cloudy	-1	Berlin	fair	-8	Chicago	fair	-5	Gibraltar	sun	15	Manchester	cloudy	6	Rome	fair	9
Athens	cloudy	13	Bermuda	fair	22	Cologne	fair	-2	Glasgow	rain	9	Manila	cloudy	30	S. Frsco	rain	13
Atlanta	fair	11	Bombay	fair	31	Dakar	fair	25	Hamburg	fair	-6	Melbourne	fair	20	Seoul	sun	[illegible]
B. Aires	sun	33	Brussels	cloudy	-1	Dallas	sun	14	Helsinki	cloudy	-3	Mexico City	cloudy	19	Singapore	cloudy	32
B.ham	cloudy	4	Budapest	fair	-1	Delhi	fair	21	Hong Kong	fair	20	Miami	shower	27	Stockholm	fair	-2
Bangkok	sun	33	C.hagen	fair	-2	Dubai	sun	33	Honolulu	cloudy	28	Milan	fair	4	Strasbourg	fair	-2
Barcelona	fair	10	Cairo	fair	19	Dublin	cloudy	11	Istanbul	rain	10	Montreal	snow	-3	Sydney	shower	22
			Cape Town	fair	22	Dubrovnik	cloudy	9	Jakarta	thund	30	Moscow	cloudy	-5	Tangier	sun	13
						Edinburgh	cloudy	9	Jersey	fair	8	Munich	sun	-5	Tel Aviv	cloudy	20
									Karachi	sun	26	Nairobi	fair	26	Tokyo	fair	12
									Kuwait	fair	20	Naples	fair	9	Toronto	fair	-7
									L. Angeles	rain	18	Nassau	fair	28	Vancouver	rain	7
									Las Palmas	fair	21	New York	rain	8	Venice	fair	4
									Lima	cloudy	26	Nice	fair	11	Vienna	fair	-5
									Lisbon	fair	14	Nicosia	fair	16	Warsaw	cloudy	-8
									London	fair	4	Oslo	cloudy	-2	Washington	rain	7
									Lux.bourg	fair	-5	Paris	cloudy	4	Wellington	fair	16
									Lyon	cloudy	1	Perth	sun	36	Winnipeg	fair	-14
									Madeira	fair	18	Prague	fair	-9	Zurich	cloudy	-3

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October 1994
HUANENG POWER INTERNATIONAL, INC.
31,250,000 American Depositary Shares Representing 1,250,000,000 Class N Ordinary Shares
Global Coordinator
Lehman Brothers

October 1994
INDOSAT
11,255,435 American Depositary Shares Representing 112,554,350 Shares of Common Stock
Advisor to the Government of the Republic of Indonesia and Senior Co-Lead Manager
Lehman Brothers

August 1994
The State of Bavaria
has privatised through a series of subsidiary swaps its 58.26% holding in
Bayernwerk Aktiengesellschaft
in exchange for a cash equalisation payment and 25.1% of
VIAG Aktiengesellschaft
Lehman Brothers advised the State of Bavaria on this transaction.

August 1994
BT
British Telecommunications public limited company
£300,000,000
8¼% Bonds due 2020
BT Finance B.V.
U.S. $375,000,000
6½% Guaranteed Notes due 1997
Lehman Brothers advised British Telecom on the privatisation of the U.K. government debt portfolio

March 1994
IRI
ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE S.p.A.
Global Offering of
2,680,000 Ordinary Shares of
BANCA COMMERCIALE ITALIANA
Offer Price [illegible] lire per Share and US $32.05 per American Depositary Share
Global Coordinator
Lehman Brothers

March 1994
KOÇ
Global Offering of
20,000,000 Global Depositary Shares and Rule 144A American Depositary Shares Representing 20,000,000 Group E Shares of
TOFAŞ
Türk Otomobil Fabrikası A.Ş.
Joint Global Coordinator
Lehman Brothers

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LEHMAN BROTHERS

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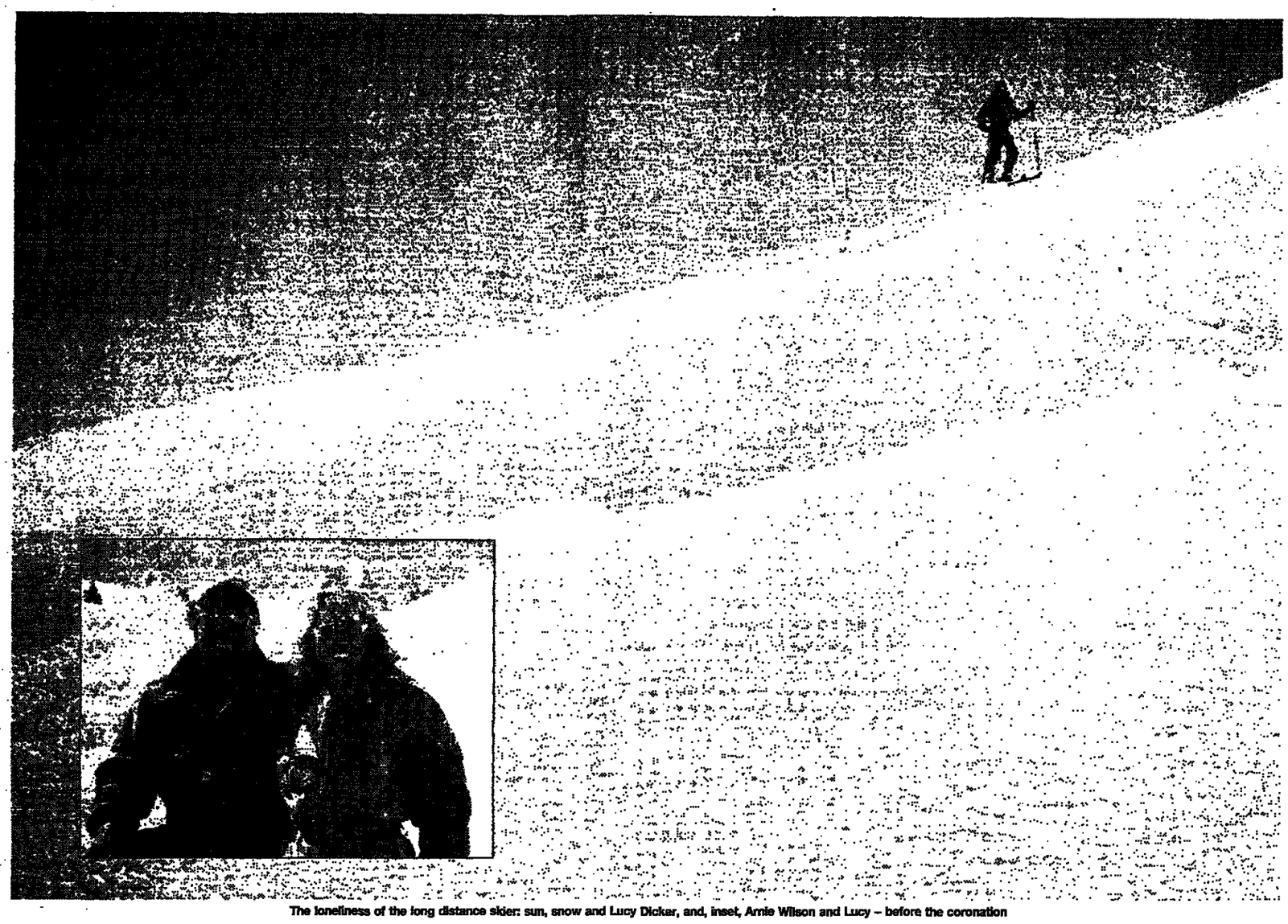
Weekend FT



The loneliness of the long distance skier: sun, snow and Lucy Dicker, and, inset, Arnie Wilson and Lucy – before the coronation

King and Queen of skiing

Arnie Wilson and Lucy Dicker searched the world for snow to ski every day of 1994. Here, he recalls the highlights

It was over a bottle of retsina in a West London restaurant that I first mentioned to Lucy Dicker, my girlfriend, that I had been toying with the notion of skiing every day for a year.

It would not be possible, of course, because Lucy had a job as a tour operator and I could hardly expect her to sit at home while I set out on such an eccentric enterprise.

It might have remained just a crazy idea – until Lucy stunned me by saying she would like to come with me. And she was serious.

Then the editor of Weekend FT took us seriously, so we spent almost every weekend of the next 18 months writing to ski areas around the world and to potential sponsors.

Now, our 365 consecutive days of skiing are over – and right up to the last week of the mission we were still skiing anything between 10 and 20 runs a day. We had aimed to ski an average of 10 miles a day – not as easy as it sounds when, on many days, we had to travel between resorts, countries and continents.

Our year on the slopes of 237 resorts was, in Lucy's words, a "mixture of fantasy and drudgery". And our very last day was the most fantastic of all. It involved a whistle-stop tour of Copper Mountain, Breckenridge and Keystone and was played out among a sea of life-size "Arnie and Lucy" masks, made from photographs by our Ski the Summit sponsors. And at Breckenridge, much to our embarrassment, we were crowned "King and Queen of skiing".

Then we woke the next morning and did not have to ski. Fantasy had won. The drudgery was over.

Our year on skis, in a way, was theatre. An improvised play; a play that wrote itself. We devised a simple plot: ski every day of the year and see what happens. Incidents and characters – most of them intrigued and many anxious to help us with their particular scene – turned up on cue in their hundreds.

Sometimes, when the going got tough, we wondered how far we would push ourselves to fulfil our daily requirement of skiing somewhere, somehow.

We often return in our minds to the night we had to drive through the floodwaters surging down the pot-holed dirt track leading to Llaima, a Chilean volcano. If our hastily rented truck had not got through would we have swum for it, carrying our skis on our shoulders, only to be faced with a long walk to the snow?

Lucy says no. I say maybe we would. I certainly like to think I would have taken the risk rather than failing to ski after more than 200 days. Lucy says this is rot and makes me sound like Tintin. Maybe she is right. Fortunately, we were never put to this test.

Similarly, in the Himalayas, although I was cautious about India's five risky "Ws" (Water, Women, Wine, Weather and Word) we took quite a few risks by skiing into ravines off a precipitous mountain pass never skied before. If any professional ski patroller had seen what we were doing he would have been horrified.

But when the whole point of the exercise was to ski every day of the year, you don't even entertain the thought of giving up without a battle. And when you find yourself in a country with no ski resorts open, you have no choice but to improvise, no matter how dangerous or how silly you may appear to the natives.

The roads to the volcanic ski areas in South America were, without exception, almost impassable to ordinary cars. And anyway, we found it would have been illegal to drive our Avis rental vehicle across the Chilean border into Argentina.

So the contribution of Robert and Killy Stanton, our Chilean friends who generously let us borrow their rugged Lada four-wheel drive vehicle, was immeasurable. This truck, which felt as though in its heyday it could have scaled the Berlin Wall without stalling, may have been basic, but when it worked it had the strength of a Ukrainian combine harvester. We christened it General Lopez, inspired by the mysterious army officer after whom the Stantons' village is named. (No one knows who General Lopez was. He is a mystery. Perhaps, since the village is very small, he was not very important.)

When we arrived in Telluride, Colorado, many months later, a Jeep marketing executive said if his company had known about our journey it would have lent us a Jeep for our South American travels. No doubt this vehicle would not have broken down. However, on reflection we had so many adventures in "The General" – including being towed 500kms from San Carlos de Bariloche back to Temuco, Chile – that our story would have been less eventful.

Apart from driving and skiing on volcanoes and mountain passes, the most stressful part of our journey was skiing during 12 consecutive days of rain in Argentina. If only the sun had come out once...

In the midst of this unmitigated gloom, one Argentine, wearing a sweatshirt from Canterbury, Kent asked us: "Why are you here?"

"To ski," we replied sharply.

"Bad luck," he said.

The only creatures that seemed to be having any fun in the rain were flocks of *loros* (small green parrots) that zoomed about like Red Arrows just above head height.

We enjoyed meeting parrots. Even New Zealand's clownish but destructive keas were entertaining, and at Mount Buffalo, I was happy feeding the crimson rosellas with sunflower seeds until one of them took a bite out of my last surviving typing finger (the other was broken in a gale on Villarrica volcano in Chile).

We have spent much of the year isolated from news of home. In Australia and New Zealand we were able to buy British newspapers, but in the

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NEXT WEEK
The middle-class revolution

Joe Rogaly

Jail of his own making

Michael Howard was unwise to toady to the law and order brigade

He who lives by demagoguery shall die by tabloid poisoning. Call it Howard's Law, a newly-minted aphorism that defines the past week in British politics. Michael Howard has brought his troubles on himself. In October 1993, freshly promoted to home secretary, he sought cheap popularity at the Conservative conference by promising to be the toughest marshal of them all.

"Prison," he asserted, "works." More offenders would be incarcerated. Their sentences would be longer. That would show the Labour party, which had dared to out-tough the Tories on crime.

It was an unwise speech. It revealed either that Mr Howard had failed to think, or that he lacked judgment. He was warned of this at the time. Now his political career is being destroyed by headlines. Mr Howard may or may not be technically responsible for the smuggling of Semtex into one high-security prison, the riots in a second, and the escape of three dangerous men from a third, but the atmosphere that has led to demands for his resignation is all his own work.

You will see what I mean if you set his conference bombast against a fact or two. According to the British crime survey, published by the home office, about a third of offences committed against individuals and their property are recorded in police incident books. The police "clear up" about a quarter of the crimes they record. A mere 3 per cent or so of crimes result in conviction. Only a fraction of those end in imprisonment. Prison *works*? Nah. It barely touches the problem.

A sensible home secretary would understand this. There are no simple answers to the public perception of a rise in offences. There are, indeed no simple questions. The long-term growth in recorded crime reflects, in part, a greater propensity of the police to write complaints into their books. Rape victims, for example, may have been less likely to come forward 10 or 20 years ago than today. Insurance companies increasingly demand evidence of reports to the constabulary before paying compensation for burglaries or thefts from cars.

It is likely – we cannot be certain – that the number of violent crimes really is rising. Yet most ordinary assaults are still committed by young men between 15 and 25, against others of their ilk, more often than not after the pubs close, probably on a Saturday night. These are the "mostly ill-educated young men with drink, drugs and family relationships problems who make up the vast majority" of inmates of our prisons. The quoted words are attributed to Judge Stephen Tumim, chief inspector of prisons, in Thursday's Daily Mirror.

A sophisticated politician might have learned from Judge Tumim. Such a home secretary would insist on strict security regimes for really nasty villains, who constitute perhaps a 20th of the prison population. He would then seek to educate the electorate about the cost-effectiveness of in-prison factories and schools as a means of turning at least some of the inmates into adequately responsible citizens. Reducing the rate of re-offending would benefit everyone.

> US jails will eventually become the most expensive old-age homes on earth

The government's law and order policies are in a muddle because Mr Howard talks the language of retribution to a prison service whose tradition is rehabilitation. There is a reason for this. The Prison Officer's Association is the last remaining obstructive trade union. The civil service was putty in its hands.

When he was home secretary Kenneth Clarke, now chancellor, thought that the POA could be defeated by a newly-created agency, semi-detached from Whitehall, under the management of a bought-in TV executive with no previous form. Mr Howard, who did not invent this dodgy mechanism, should have known better than to ask it to take on too much.

Worse is to come. The prisons have become much fuller over the past few years. Britain's 92 inmates per 100,000 population is the third highest in Europe, exceeded only by Hungary and Portugal. Scotland, at 105, is already well ahead; at present rates England will catch up and overtake all the rest within a year or two. There is no need to wonder what will happen then. The American example is there for all of us to inspect.

It stands as a ghastly warning. The numbers are hardly believable. The US has 519 prisoners per 100,000 population and it is still building jails, cramming them in ever faster. Only Russia, at 558, has a higher density of imprisonment than the US. The "Contract with America" waved aloft this week by Newt Gingrich, the newly-elected Republican speaker of the lower house of Congress, would accelerate this terrible process. No account I have read suggests that Americans feel safer as a result; at best the crime statistics, always dubious, suggest a levelling-off.

Sold as a war on drugs, the American lock-up campaign is becoming a drive to incarcerate as many young blacks and hispanics as possible. It seeks to hide the ghetto behind barbed wire and security towers. It will not stop until the bills come in. The vogue for mandatory sentences without parole is obliging state and federal governments to operate high-tech (that is, high-cost) institutions that will eventually become the most expensive old-age homes on earth. There is unlikely to be a re-think until populist politicians realise the cost of funding their wasteful schemes.

This is not to say that any of us has the answer to the rise in crime, whether it be real, as in the US, or merely perceived, as much of it may be in the UK.

The futility of blanket imprisonment is obvious but that does not mean that liberal policies, and humane regimes loosely implemented, are effective. We simply do not know. The first home secretary to stand up and admit that will deserve applause to match the catcalls directed at Mr Howard.

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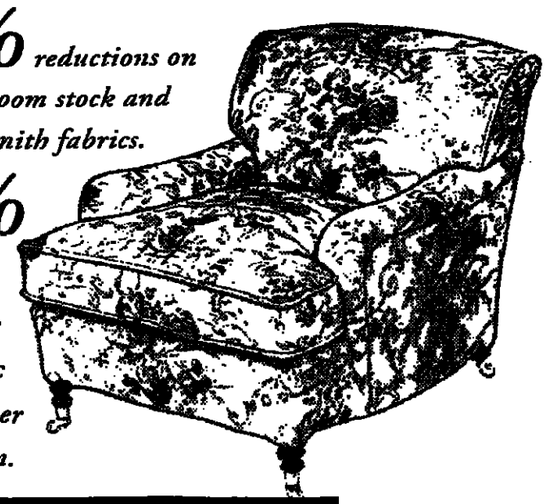

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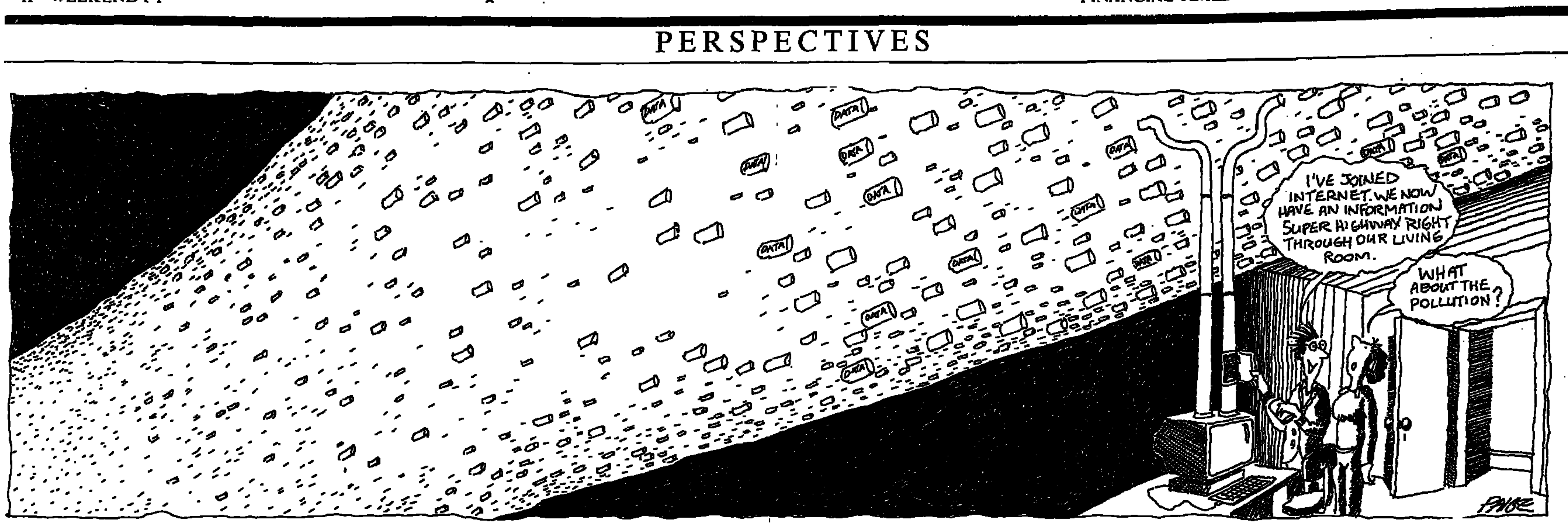

Going Online, Part 3: Choosing an Internet service supplier.

Tour guides to cyberspace

Paul Taylor explains how to choose the right service provider to link you to Internet and the World-Wide Web

Taking the first tottering steps down the information superhighway can be a daunting prospect. Cyberspace – the ethereal world of electronic mail, newsgroups and data transfer – is full of technospeak, confusing acronyms and strange computer "protocols".

Fortunately, the recent surge of public interest in the Internet – the informal system linking more than 7,500 individual computer networks and more than 2m computers in academic institutions, companies and other organisations across the globe – means that an increasing amount of help is now available in plain English.

Armed with a PC and a reasonably fast modem (preferably 14,000 baud, but slower modems will allow basic access for electronic mail) there are two ways of connecting to the Internet.

The simplest – but also most limited – is via a computer BBS (Bulletin Board System), sending and receiving text messages and files. The BBS acts as a mailbox between the user's PC and the Internet computers. The second level allows the user live connection to the Internet. The agent in effect provides a pipe between the user and the net, so that information is transferred immediately, without waiting in a mailbox.

Most BBSs provide an Internet e-mail service of the first type. But while it is possible to perform many tasks, such as file transfer, on the Internet using e-mail, this is a rather difficult and clumsy method.

For those with limited funds, the PC User Group provides a service one step up from a basic BBS. Although this is not a live connection, the group's WinNET program, which comes on an easily installed floppy disc, provides both Internet e-mail and access to the 10,000 Internet discussion groups on the Usenet. However, since this is not live, you may be a little bit behind the discussion. The WinNET service costs £6.75 a month which covers up to 130 minutes of connect time.

Similarly, for the novice cybernaut, commercial on-line services such as CIX, CompuServe and Delphi provide one of the easiest methods of connecting to, and sampling the Internet. These "dial-up" or "terminal connection" services allow subscribers to send and receive e-mail to and from other Internet addresses and provide access to Usenet discussion groups through their Internet "gateway".

CIX and Delphi also provide access to a special IP (Internet Protocol) prompt. This means users can search for files on remote computers and upload or download files from other computers connected to the Internet using file transfer protocol (ftp).

At present, commercial on-line services stop short of providing fully "live" PC-based Internet access – the on-line service provider's computer rather than the user's PC is connected to the Internet and downloading a file is a two-stage operation. The process is too cumbersome for these services to provide graphics-based access to one of the most exciting areas of the Internet – the World-Wide Web.

To gain full access to the Web – the fastest-growing Internet service – the PC user needs a "dial-in" direct Internet connection, available from an Internet service provider.

For these more sophisticated services, Internet service providers in Britain charge individual customers a sign-up fee of between £7.50 and £50, then between £10 and £20 a month.

Finding and setting up the software, much of which is unfamiliar "free" shareware, for full dial-in direct access to the Internet can be tricky and time-consuming – it often involves supplying a lot of technical information.

Fortunately, most Internet service providers offer software – or make it available for downloading. For many new users the availability and ease of installation of the software may be a key factor in choosing a service provider.

The new user gets a password, an Internet address for e-mail, unlimited Internet access and usually software including at least a TCP/IP stack (the Internet's networking protocol or interconnection language), e-mail package and "Web-browser" such as Mosaic, Cello or the even slicker and faster NetScape.

There are no further online charges, although users in the UK still pay ordinary telecommunications charges. To keep telephone call costs to a minimum, check that the service provider you choose has a local POP (Point of Presence) number for your modem to dial. The larger Internet service providers will have at least half a dozen POPs.

The number of Internet subscribers is growing by about 10 per cent a month in Britain so in order to avoid the frustration of engaged telephone lines, ask what ratio of users to modems a service provider intends to maintain – a ratio of 30:1 is satisfactory but 10:1 is better.

Among the UK service providers, CityScape and Pipex (which essentially provide the same service) both supply quick, simple and friendly software installation packages which require the minimum of intervention by the PC user.

But there are cheaper alternatives, including the BBC Networking Club which supplies the user with a £25 "starter kit". Direct Connection, a BBS which has made the transition to become a full dial-in Internet service supplier, and Demon Internet.

Demon can get very busy in the evenings, so it sometimes takes several tries to log on, but more lines are being installed. For cybernauts in Ireland, Ireland On-Line offers a competitive package with local POPs.

Another service provider, EasyNet, is linked with Cyberia (39 Whitfield Street, London W1), London's first cyber cafe where prospective Internet travellers can sample the World-Wide Web while downing a coffee or two.

Of the many new Internet magazines, .Net, and Internet and Comms Today are worth looking at. Most books about the Internet have an American flavour. Among the best are Ed Krol's *The Whole Internet User's Guide Catalog* (£18.50, O'Reilly Associates) and *The Internet for Dummies* by John R. Levine and Carol Baroudi (£17.99, IDG Books).

New books written with British cybernauts in mind include Sue Schofield's *The UK Internet Book* (£19.95, Addison Wesley) and Davey Winder's book, *All You Need To Know About the Internet* (£14.95, Future Publishing). *Finding it on the Internet* by Paul Glister (Wiley, $19.95) is a well-written guide to finding information on the Internet.

For beginners, a 60-minute video called *Internet: The Cyberian Connection* (£16.99, produced by Purple Training in association with the Cyberia cafe) is also worth considering.

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Service supplier	Service name	Sign-up cost	Monthly cost	Telephone
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PC User Group	WinNET	–	£6.75+	0181-863 1191
Dial-up or Terminal Connection – limited Internet access:				
CIX	CIX	£25	£6.25+	0492-641961
Compuserve	Compuserve	£28.45	$8.95+	0800-289378
Delphi	Delphi	–	£10+	0171-757 7080
Dial-in or SLIP/PPP connection – full Internet access				
BBC Networking Club	BBC Networking Club	£25	£12	0181-576 7799
CitiScape	IP-Gold	£50	£15	01223-566950
DemonInternet	Standard Dial Up	£12.50	£10	0181-349 0063
Direct Connection	Direct Connection	£7.50	£10/£20	0181-317 0100
EasyNet	EasyNet	£25	£11.90	0171-209 0990
EUnet	EMailLink	–	£23.75+	01227-266466
Ireland On-Line	Ireland On-Line	£25	£10+	353-91-592727
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Minding Your Own Business

Birth of a pedigree pet

Sandra Westbrooke tells of a dog magazine that rose from the grave

Beverley Cuddy will never forget November 20 1992, the day Windsor Castle caught fire. As sirens wailed in the background, she listened with shock to the news of her own disaster: *Dogs Today*, the magazine she had been editing in Windsor since its launch two years earlier, was being closed down. It had a staff of a dozen, a cover price of 95p, and a circulation of 50,000. But annual losses were running at about £300,000, and the owner, Associated Newspapers, had decided it was no longer sustainable.

Now, two years later, *Dogs Today* is a thriving concern which has won Beverley an award in the Entrepreneur category of *Cosmopolitan* magazine's Women of Achievement competition. From a rather down-market publication, printed on poor quality paper, it has been transformed into a canine *Cosmopolitan* itself – glossy, expensive-looking and controversial. ("Shocking Docking Report"... "Painless Pill-Popping"... "Could a Kitten be a Catastrophe?" read the headlines on the latest cover.) Revenue and advertising sales have doubled, circulation has increased by 50 per cent, and it is being launched in the US.

The editor and the cover girl: Beverley Cuddy, editor of Dogs Today and Sally, her bearded collie

The turnround in fortunes is a tribute to Beverley's enthusiasm. Now 32, she has been devoted to dogs since being given a bearded collie as a reward for winning a scholarship to Merchant Taylors school in Liverpool. (It was to have been a horse, but that would not have fitted in the family's Crosby house.) After her degree, she went on to cut her canines as a reporter on *Dog World*, worked for other similar publications until *Dogs Today* was announced, and landed her dream job as editor of a magazine for dog lovers rather than dog breeders.

"The news of the closure just left us stunned," she recalls. "Everyone who worked on it thought it was wonderful. So instead of clearing our desks and going home, we decided that somehow we would carry on with the issue we were working on."

Beverley admits to having been "totally naive". She decided the only course was a management buy-out, and with no business experience, and only her redundancy money, searched the Yellow Pages for an accountant within walking distance. Her enthusiasm convinced him there was a chance of making it work, and they persuaded the publisher to sell for £1 and the subscriber debt (about £15,000).

Then followed a period of sheer dogged determination. "Because I had no experience in publishing, I questioned everything," she says. Some of the staff took up the publisher's offer of jobs elsewhere, but Beverley persuaded the remaining two, plus the contributors and printers, to work for nothing on the next edition.

She became managing director, editor, advertising manager, and the circulation and marketing departments. She decided that because 89 per cent of her readers were female, a quality product was needed. She doubled the cover price to meet the extra production costs. An appeal to existing subscribers for help brought a magnificent response: the actress Katie Boyle, she recalls, took out 17 subscriptions for friends.

"Once we explained in the magazine what we were trying to do, the readers just seemed to want to help save it. Most people I knew did not really think we stood a chance. One friend said I was barking mad, but that just made me even more determined to succeed. And because I was honest about my shortcomings, people felt sorry for us, and were tremendously helpful."

Beverley's honesty has proved a successful policy. The £300,000 loss became a profit of £6,000 last year, and the magazine won the Periodical Publishers Association Small Publisher of the Year award. For 1994/95 profits are expected to rise again. Plans for expansion are progressing, fuelled by a recent visit to a dog trainers' convention in Florida. There, Beverley presented all 350 delegates with a free copy, asking them to show it to 1,000 people they deal with every year, with the promise of a 10 per cent commission for each subscription sold. A contributor in California is setting up a *Dogs Today* office, and with only two US titles aimed at "pet people", Beverley feels there is scope for an American edition.

But for the time being, she is still in the same Windsor premises, concentrating on UK circulation: "There are 5.2m dog-owners in Great Britain," she points out. Sally – the great-great-granddaughter of her first dog – accompanies her to work and is listed on the magazine's title page; if ever a canine Cindy Crawford is needed at short notice for the cover, she can oblige.

عن الأصل

PERSPECTIVES

More ancient mariners ahoy

In the first week of the Boat Show, Keith Wheatley discovers that adventurous sailors are getting older

Once upon a time – say five years ago – going to sea in a small boat represented risk and isolation for urban man. Naturally, these factors attracted some people to sailing, but many others were put off. Fresh sea air and wonderful sunsets are fine, but being lost in the fog off a rocky coast with the VHF radio playing up was a downside.

A further consideration was the rotten tricks chronology plays with human lives. Just when the children were finally educated, the mortgage paid off and there was some spare cash for a large, floating toy – *sorry, yacht – one's body* started to notice the 50-plus years on the clock.

Arthritic knees and failing eyesight always used to be a handicap at sea. Technology has changed things utterly. Although few of the recreational sailors who will flock to the London Boat Show over the next 10 days will be contemplating solo circumnavigation, it is interesting to look at the case of Josh Hall, whose yacht was holed after striking a container in mid-Atlantic last October while taking part in the BOC round the world race.

Despite pumps able to shift 20,000 litres an hour, Hall knew his 60ft boat, Gartmore Investment Management, would sink within hours. While waiting for a rescue-rendezvous with a fellow competitor, City of Newcastle, with his life raft tethered alongside, Hall experienced the efficiency and ubiquity of the satellite phone installed aboard his stricken yacht.

A few days earlier his wife Laura, a BBC journalist, had called from Ipswich to tell Josh they were expecting a second child. Now he had to phone home and say that the uninsured yacht that represented both their business (through corporate charter work) and life savings was sinking under his feet.

"She was great. Just asked why I always had to make everything so dramatic," said Hall, safely ashore in Cape Town.

"The weirdest thing was when my younger brother rang me a few minutes later just for a chat. I don't think he believed me when I said the boat was going down and I was about to get into the life raft. It was just infuriating."

Two things stand out here. The first is that Hall never felt his life was in danger. Race officials in the US knew the casualty's position to within 10 metres via the satellite GPS (Global Positioning System), that is rapidly making the question "where am I?" redundant.

The second is that communications between the sinking yacht and home 4,000 miles away are so quick and easy that the distressed mariner is even able to have a bit of domestic teasing with the family before taking to the raft.

This isn't to underestimate the event. Hall is not laughing at the loss of about £250,000 and three years work. But overall, it was an accident not a catastrophe.

Peter Poland builds yachts a long way removed from Hall's milieu. His company, Hunter Boats, is the backbone of the British cruiser industry, non-flashy but selling its products steadily through the recession while more glamorous rivals go "underwater with seven noughts", as one sailor put it.

"So much has changed in the past few years, and most of it is about technology that takes the horrible 'what ifs?' out of sailing," said Poland. "Take the GPS, as an example. For three hundred quid you can press a little button and know exactly where you are. Our boats and the kit in them are designed to engender confidence in the buyers – and that is a delicate flower."

Comfort, too, is essential. Poland says the days of the onboard loo being a "horrid little cupboard" up in the bows are over. Below-decks layout is dictated by the marketing imperative to have a decent-sized bathroom, with shower, next to an aft double cabin.

The consumer is driving the market. More and more, the cheque-books coming out at the boat shows belong to older people. They are retired or close to it, may not even be that fit, but they have time, money and an increasing knowledge that a modern boat can take them to sea, infirmities and all.

Moody Yachts, one of Britain's largest volume builders, will have its Thirty One on display at this week's London Boat Show. The new model has a walk-through transom to enable easier transfers of gear and crew from dinghy or pontoon, especially for the less nimble or fit sailor.

But, at any dry-land boat show, access to the yachts tends to be up steep temporary steps as the hull towers above one's head. "The idea of putting in a stairlift occurred last year," says David Moody, the company's sales director.

"It was frustrating for visitors who had difficulty climbing the stairs to have to rely on plans and photographs to assess the boats' topsides. We wanted to give everyone a good look – especially as today's designs with cockpit-centred controls mean that sailing can be enjoyed by almost anyone."

Yachting has not previously been a growth area for Stannah Stairlifts, who donated the equipment, but the company's boss, Jon Stannah, says they have tackled trickier installations.

> 'The people who can afford yachts have finished their working lives – whatever their actual age'

"Just because someone cannot manage a flight of stairs doesn't mean they stop wanting to participate in as many active sports as possible," he said. "We hope that the combination of Moody's new easy-access yacht and their new easy-access stand will help towards this."

Doubtless there will now be endless jokes about racing yachts being fitted with titanium zimmer frames to save weight. But Moody is adjusting to a real shift in the market. Older people, freed of school fees and mortgages, possibly with a golden handshake and early retirement, are now the main customers for boats that will cost upwards of £50,000.

"Our market has changed utterly from the early 1980s. The people who can afford yachts have finished their working lives – whatever their actual age," commented Alan Taphouse, the marketing director of Northshore Yachts, a British company selling about £3m of semi-custom boats every year.

"Younger professional or management people who took loans to buy boats have disappeared from the picture. We've got a couple in their seventies who are buying a Vancouver 34 and are just about to disappear off on a cruise to the Caribbean for a year or two. And they're not exceptional. These kind of sales are becoming our bread-and-butter."

The specialist nautical publishers Adlard Coles once achieved the bulk of its sales with titles such as *Heavy Weather Sailing*, aimed at bearded adventurers with wanderlust in their seaboots and an appetite for danger.

Yet one of its most popular books in the past 12 months has been *Sail into the Sunset: A Handbook for Ancient Mariners*, written by Bill and Laurel Cooper. It has been one of the year's biggest sellers, far more of an inspirational work than a "how to" manual.

"The very fact that thousands of retired people take to the sea and make extraordinary voyages, out of reach of social workers, completely capable and self-reliant until extreme old age, indicates the potential of this group," write Bill (66) and Laurel ("a little younger"), who live aboard the sailing barge Hosanna.

What separates the Coopers from intrepid husband-and-wife pioneers of earlier years is that their whole message is not about trans-Pacific derring-do, but about simpler pleasures achievable by most people freed by age from the workaday treadmill.

"More older folk end up pottering about the Med or the US's magnificent Intracoastal Waterway than crossing oceans. Possibly they calculate that if they have, say, only 400 days of life expectancy, using up 30 looking at exactly the same ocean is not using it to best advantage," said the Coopers, who recently brought Hosanna up through the French canals to Kent, managing to survive a dismasting off the Goodwin Sands en route.

For good or ill, one need not be out of touch with the grandchildren or the pension trustees while living aboard. Bill Cooper was out on deck chopping logs, moored up in a Belgian canal, when I rang his Europe-wide digital mobile phone for a chat.

Cliff Norbury, 65, has been in the boat business most of his life. He was head of Proctor Masts which produced rigs for boats ranging from Olympic dinghies to America's Cup 12-metres. Yet until he retired last year, Norbury had never owned a boat big enough to cruise on.

As a marine industry professional, now spending his own savings on a 39ft yacht he's fitted out himself, he's done a lot of thinking about "sailing for the third age".

"Electronics are so important for older people," said Norbury. "A good self-steering system gives you another hand and more time. GPS takes the worry and slog out of course planning. You can't see charts so easily as you get older, you can't do mental arithmetic as easily. If you use something like a Yeoman chart-plotter [the equivalent of a 'smart' magnifying glass linked to a small computer], you don't have to struggle with pencils and parallel rules. It's easier, more fun, and safer."

It is not only the boat builders and hardware manufacturers who have realised that the centre of gravity in their marketplace has shifted.

In 1991, when the veteran offshore racer Chay Blyth advertised for 130 people to spend a year (and £15,000) racing around the world in the British Steel challenge, conventional wisdom predicted a flop. As usual, it was wrong.

Blyth was overwhelmed with ordinary people, mostly without sailing experience, many in their forties and fifties, who wanted to round Cape Horn, feel the icy spray in their faces, or sweep flying fish from the foredeck inching through the equatorial doldrums.

The second version of the global race, this time with 15 yachts and now sponsored by British Telecom, is already a sell-out. "Believe me, the spirit that inspired the seafaring adventures of old is very much alive today," said Blyth. "Sailing is a risk sport, but nowhere near as much as rugby or hunting.

"If you don't want risk or excitement buy a bag of cotton wool and sit inside it."

■ *The London International Boat Show continues at Earls Court until January 15*

Yachts of the future: much has changed in the past few years and most of it is about technology that takes the horrible 'what ifs?' out of sailing

Simon Lissjonn/FPL

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TRAVEL

Over the roof of Morocco

Nicholas Woodsworth experiences the Atlas peaks

Before setting out for the Atlas mountains I spent an evening with Guy Fournie, a Frenchman wise in the ways of North Africa. Born and raised in Morocco, for many years a professor at the University of Marrakesh, he taught theoretical physics within sight of those high, snowy peaks.

Morocco is not easily fathomed, he warned me – the more time foreigners spend there, the less they seem to understand. But his own professional background has helped him. After much observation he has concluded that theories of relativity are as applicable to the vagaries of Moroccan life as they are to advanced physics.

"Two things," he said to me over a glass of port. "First, in this part of the world, the straight line between two points does not exist; in getting from A to B you must be prepared to deal with C. Second, there is no absolute truth; there are any number of answers to a question – the one you will be given is the one that makes you happiest."

Did I, however, remember the wise professor's words when planning a route over the mountains of southern Morocco in a wheezing, death-rattling wreck of a car? No, of course, I did not. And so I found myself one bright morning at the Ziz petrol station in the sleepy and sun-bleached desert town of Nkob, caught in a quandary.

"I know of a marvellous back road," Idris, my local guide, had told me the day before. I had asked him about gentle hill drives that even constitutionally delicate cars could make. "You drive over the Djebel Sarhro range from Nkob to Tinerhir. For scenery it has no equal in the whole Atlas. They say it is now paved. Then from Tinerhir it is up and over the High Atlas. You come out on the Marrakesh road. It is an easy drive, no problem."

But there was a problem, I discovered from the Ziz attendant as he filled my tank. There was indeed a new paved road, but it did not cross the Djebel Sarhro range; it went around it in a vast loop 500km long. In getting from A to B, I was prepared to deal with C, but not with the entire alphabet.

"Of course there is always the old *piste* over the mountain, but it is very rough," the attendant said, doubtfully surveying the ancient Renault 4L I had rented.

I now displayed even less regard for the savant's second dictum.

"Do you think I could make it over the top in this car?" I asked hopefully as the Ziz man pushed up a drooping front fender. It was as if the sun had suddenly come out – there might never have been a cloud of doubt on his face. "*Mais, oui*," he beamed. "*La Renault 4L passe partout, Monsieur, – c'est le scorpion de la montagne!*"

> 'The car was in ghastly shape. It looked as if I had rolled it down the mountain'

The *piste* began easily enough, a sandy track winding about the arid, pre-Saharan scrub. But as soon as I began climbing, bare mountain rock took its place. The higher I went, the worse it became – the *piste* was not really a track at all, but more simply a part of the mountainside where larger rocks had been pushed aside.

Bang! went the oilpan as I tore into large rocks. Thump! went the chassis as I slid into foot-deep ruts. Clang! went the differential as I bottomed-out in steep-sided ravines. Bone-rattled and sweaty with the thought of what would happen if I got stuck, I vigorously grappled the steering wheel and gradually bounced my way up 6,000ft of precipitous mountainside.

It was only when I got to the Tizi n'Tazazert, the pass at the top, that I felt relaxed enough to look around. Far below lay the desert plain; winding its sinuous way through a far-west landscape of butte and gulch, gorge and flat-topped mesa, was the track I had come up on. The country up here was even more dramatic, a starkly lunar plateau studded with volcanic peaks – it seemed impossible that anyone might live in this harsh place.

But as I bucketed along I saw on a far hill a herd of sheep and dark tents, and thought of the Ait Atta, fierce nomads who, until as late as the 1930s, resisted French colonial attempts to subjugate the Djebel Sarhro.

It was late afternoon when I pulled into Iknioun, a small upland village of flat-topped mud houses. On the far side of the village I overtook a man pushing a motorcycle. I doubted he was an Ait Atta.

He said his name was Yusuf and he had broken down; if I could give him a lift to Tinerhir I would surely go to paradise. What about the motorcycle, I asked. It seemed paradise was guaranteed only if I took that, too. Besides, he assured me, it weighed nothing, hardly more than a bicycle.

Even with the back seat folded down and the rear hatch left open I do not know how we got a 50cc Yamaha into the car. With the bike in the back and Yusuf beside me we sagged very low to the ground indeed.

Off we set, now heading downhill off the Djebel Sarhro. The road was just as bad, the clank and the clatter as the car's underbelly dragged along between the ruts almost constant. The further we went, the more often we became stuck.

The high Atlas: 'It seemed impossible that anyone might live in this harsh place' Robert Harding

Yusuf did not seem to mind having to get out and push. He just grinned all the more.

It appeared to me as I drove along that somehow Yusuf's grin was fading, becoming less bright in his dark, sunburned face. Then I realised it was his face that was lightening – with the rear of the car open, half the fine white dust of North Africa was pouring in. It coated our eyebrows and lashes, got into our ears, eyes, noses and clothes. By the time we got to the bottom we looked as if we had been pillow-fighting with sacks of flour.

Worse, once on to the sand flats that led into Tinerhir the Renault seemed to perk up a bit. She wheezed and sputtered, then slowly picked up speed. It was all great fun, until we came to a violent halt in a deep ditch. Behind us Yusuf's motorcycle took a leap into the air and landed back down with a mighty crash. In the surprised silence that followed we heard a tiny glugging sound as a broken fuel-line emptied Yusuf's petrol tank on to the floor of the car.

I was grateful to Roger Mimo, the Spanish proprietor of the spotless Hotel Tombuktu in Tinerhir, for letting me spend the night. I am not sure if I would have let in anyone quite as dirty and oil-stained as I.

The Tombuktu is magnificent, a centuries-old *kasbah*, or mud-built fortress, and entirely refurbished. Yusuf was right, I had come to paradise – Mr Mimo had without doubt the hottest showers in the whole Atlas, a place where usually you are glad if the showers have any water at all.

I was all the more loathe then, scrubbed and squeaky clean the next morning, to climb back into the Renault. It was in ghastly shape. It did not look as if I had driven it down the mountain, it looked as if I had rolled it down. Not even the nightwatchman expected a tip for looking after it.

Worse was to come. I spent that morning heading northward through the Todra Gorge, a spectacularly narrow and high-walled defile that dwarfed the car. I made good time; by noon, I was at the Tizi Tirherhouzine, a 9,000ft pass in the heart of the High Atlas. But here we stayed stuck.

There is not much traffic on these isolated roads, but on a sharp curve at the very summit – a windy and desolate place – a truck had broken down, blocking the way.

Only by 3pm were we moving once again across the bleak and treeless High Atlas plateau. Only by 4pm did I arrive in Imilchil, where I had planned to stay the night.

How often does one have the chance to stay in a remote Berber village? I had come a long way to get to just such a place. But Imilchil put me off. Large, snarling dogs snapped at my tyres as I rolled into the village. Women unloading fodder from donkeys cast baleful eyes my way. Huddled against the walls of their mud houses in wan winter sunlight, jellaba-robed and hooded men studiously ignored me. The night, I knew, would be cold. I could already feel the fleas I would be sharing a bed with in the local hostelry.

The hell with Imilchil, I said to myself. With the sun sinking low, I abruptly decided to carry on down the mountain to the Marrakesh road.

My memories of that night are somewhat confused. I have nightmarish visions of skidding down canyonsides with blackness yawing on every side; of splashing down riverbeds unable to pick up the track on the far bank; of searching the map in the light of my headlamps for a trace of the crossroads at which I stood lost and unnerved; of watching my petrol gauge sink lower and lower as I bumped along blindly in the night.

When I finally limped in to the Hotel Henri IV it was on a wing and a prayer and three sputtering cylinders. The place was empty, a once elegant colonial hunting lodge now invaded by damp and abandon. The bottle of wine the elderly custodian managed to dig up was heaven, the omelette he cooked bliss.

I asked about the way to Marrakesh. The main road was no distance away. But, the old man added, he knew a marvellous short-cut to get me home, an easy back-road route that for scenery had no equal in the whole Atlas.

No thank you, I replied firmly, thinking of the good professor. I would take the long, slow way around.

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A Viking heritage

A new emotion. I was in the Viking Ship Museum in Oslo, staring at the dark hulk of a Norse ship, its curved and ornamented prow rising high above me; and suddenly, unexpectedly, I felt overwhelmingly sorry for my ancestors.

I could just imagine them, 10 centuries ago, standing and watching, with sinking hearts, as a flotilla of these ships, with their distinctive square sails, made their way towards the coastline of northern England.

Oslo actually sells itself as a city of museums. I took in the Ski Museum at the Holmenkollen Tower (site of the 1952 Winter Olympics) and made a first trip up a ski-jump tower in a high wind.

I particularly enjoyed the Munch Museum, where there are so many of the painter's works in woodcuts and oils. (There was also a magic moment when a couple who obviously thought they were alone stood in front of The Kiss and imitated the pose of the two lovers in the painting.) But there was something immediately attractive about a museum devoted to just three Viking ships.

The ships survived because they lay buried in clay from about 900AD when they served as Viking burial chambers until excavation about a century ago. The museum is laid out in the shape of a crucifix, with a ship in three of the points; one ship is dilapidated, but the other two have been almost completely restored. Stained dark, the two stand starkly against the white museum walls. They were as impressive to me as they must have been to my ancestors.

The curved planks of their clinker-built hulls run in graceful lines along the boats' 60ft length: stem and stern, carved with a snake's head and tail, both stand 12ft above the keel. The ships must have moved through the water like snakes crossing a river – heads held high and necks arched back – and they are surprisingly wide and shallow in the belly. Such grace and terror. With such a broad beam it must have been quite a stable ride – certainly the ships were sturdy and reliable. The exhibits themselves were not ocean-going longships, they were probably used as local runabouts by the Vikings who were buried in them. Other Viking craft sailed long distances, of course. Apart from harrying the British Isles and Normandy, they are thought to have beached as far as Newfoundland.

The ships are simple and barely adorned, without sails in place or shields hung over the gunwales, but you can get an inkling of the human dimension of the Viking world elsewhere in the museum.

Here grave furniture and artefacts are displayed. The barrows were looted of armour and jewellery in the middle ages, but the utensils of a working life are there – agricultural tools and riding and sailing equipment – alongside relics from more important moments, ceremonial sleds with carved motifs of serpents chasing one another in interlocking sequences and ghostly Nordic faces that shout silently about conquest and domination.

> There are ceremonial sleds with carved motifs of serpents chasing one another

And there are more domestic items: cooking and eating utensils, a board game and an antler piece, even some combs (one of which was more than a foot long, but then I seem to remember being told that the Vikings were rather proud of their hair).

Perhaps there is a language somewhere in the world with a word to denote the feeling you get when your heart suddenly goes out to ancestors who have just realised that they are about to be on the receiving end of another Norse saga.

It is probably not old Norwegian, but on the assumption that a feeling is usually worth more than a description, the Viking Ship Museum is certainly worth a visit.

James Henderson

TRAVEL

A vodka toast to fishing on the Danube

Nick Haslam goes to a remote and friendly corner of Romania which the 20th century has passed by

For a minute, the boatman stopped rowing. Around us, high reeds swayed and rustled in the strong westerly wind. Frogs croaked rhythmically from the banks, and overhead, three pelicans circled lazily before coming in to land on the lake. Ion leant over his oars, and said: "You know of course, that Ceausescu is alive and living in Cuba. He's married Fidel's sister."

I looked disbelieving, and he smiled. "You know, some of the people around here would believe anything." It was typical that such a rumour should circulate in the Danube delta. A place of wide skies and strong winds, it is a remote and lost corner of Romania, where the 20th century seems hardly to have intruded.

I had come down the day before by ferry from Tulcea, the last big town on the fringes of the delta, where road and rail links with the outside world cease. Criss-crossed by canals, and divided by the three meandering branches of the Danube, the only means of travel here is by water.

For four hours we had made slow progress down the river, hooting at sleepy riverside villages, where small timber houses hidden by wooden palings and surrounded by grapevines stood perched on the levee. I disembarked at a riverside jetty and hired a fisherman to take me across to the only hotel in this part of the delta.

Visited once by Ceausescu, the Lebada was an incongruous and ugly pile of white concrete surrounded by poplars. I was the only guest, and dined in solitary splendour in the large dining room, waited on by a small retinue of waitresses.

My room overlooked the Danube, and that night, as I drifted off to sleep, a large moon hung over the river, and snatches of conversation floated up from fishermen going to examine their nets.

The Danube here had been straightened by a canal built at the turn of the century, but the old river still meandered close by and I hired Ion next morning to take me in his rowing boat through some of the lakes. As we pulled slowly through narrow canals in the reed beds, herons and egrets started up from the banks. Around one bend, we came on a group of fishermen fishing with rod and line from beneath poplars at the bank.

Fishing in the Danube Delta: 'I stayed the night with a fisherman's family, and dined on sturgeon liver and carp' Nick Haslam

"Poachers," said Ion, with a smile. "This area is a nature reserve, but it's so big, the police can't control it, and anyway, if they catch you..." and he made the expressive sign of rubbing his thumb over his forefinger "...you can always buy your way out."

He dropped me at *Mila 23*, a small village left stranded when the new canal was opened. For five hours I walked along a loop of the old Danube, passing the occasional timber cottage with faded blue eaves which merged with the summer sky. A strong hot wind was blowing, and family groups stood up from their labours in small patches of cultivation to shout a greeting as I passed.

The occasional hoot of a ship's siren, and a line of poplars in the distance marked the banks of the new Danube, and at sunset I stood again on the levee. A weatherbeaten shepherd, herding sheep and goats waved me over, and offered me a cup of warm, frothy goats milk. There was, he said, a new hotel that had just opened in the village opposite. After he had milked his flock we crossed the river together and I found, in a clearing, a vivid purple one-storey building labelled Hotel Dorulet. The bar was empty, and I took a seat at a table. For 20 minutes no one came, and then the door burst open. A huge bearded man, clutching a wooden box, stood in surprise on the threshold. Dwarfed, a small girl peeped around his knees at me. "You want?" he said. I explained that I needed a bed for the night. "A bed?" he said.

And then, striding across the bar and dropping the box at my feet, he said: "Of course. No money and you shall stay here. You are my first client".

The lid of the box burst open, and suddenly the room was full of white crested pigeons. Shouting in Romanian, my host gestured to the birds. "I love," he said, sweeping one out of the air, and kissing its white plumage. His daughter, shrieking with delight, rushed around chasing the pigeons that came to roost on curtain rails.

The owner, called George, gathered up his birds which he kept in a dovecote outside the hotel, and made an omelette for the two of us. As we ate, he told me that he had built the hotel here because he loved the Delta so much. "In the winter, you must come, and we will go..." and he mimed the action of firing a gun "...Poc, Poc! The hunting here is the best in the world."

Next morning, I boarded the ferry for Sphintu Gheorghe, the last fishing village on the southernmost arm of the Danube. I stayed the night with a fisherman's family, and dined on sturgeon liver and carp. The fisherman, Josef, invited me to go fishing with him next day and, rashly, I accepted.

At 4am, silent, gumbooted figures made their way through the sandy streets on their way to the river. We pulled out into the Danube in high-prowed rowing boats paying out a long net as the sun rose over the river. The current took us down to the bar, where the Danube ended, and the Black Sea began. As Josef pulled in the net, picking out the gleaming Danube herring from its meshes, other fishermen moored alongside. They passed over a bottle of vodka and we toasted each other. I thought that this was a scene which could not have changed much for more than a century.

■ *Nick Haslam travelled to Romania courtesy of Friendly Travel, Research House, Fraser Road, Perivale, Middlesex UB6 7AQ. Tel 081-566 9040. Return flights from Heathrow to Bucharest start at £195.*

Ten years on in Sofia

Leslie Gardiner has an unexpected reunion in Bulgaria's capital

Ten years ago a stocky young female stood on the steps of the Balkan Hotel in Sofia. When she spoke to me my heart sank. "Good morning," she said, "I am your guide, my name is Elka."

She was sallow and snub-nosed and dressed in a canvas jacket, a calf-length skirt and a pair of flat shoes. "First we visit the church of St Petka of the Saddlers," she said. "It is near, we shall walk and the car will follow."

Her English was good, though she said I was her first British client. While she recited from the scrolls of notes crammed in her handbag, I interrupted with trivial questions.

"Are you Sofianese, Elka?"

"Yes. We say Sofianitsa. Listen, please, the frescões date from..."

"What's it like, living in Sofia?"

"It is very good. Sofia is a beautiful city of many parks and monuments. Listen, please, this dome is in the vaulted basilica style..."

We trailed round several churches and crossed the gardens in front of the Ivan Vazov theatre where cafe tables were set out. "Look, they're serving lemonade and iced coffee, would you like a drink?" Elka compressed her lips, as though it were an improper suggestion. "We may go where you wish," she said. "It is written so in the programme."

She dug out more notes and described the theatre's pink and white pseudo-Palladian façade, which I could see for myself.

"Do you go to the theatre, Elka? In the evenings? Do you have a boyfriend?"

"I have several friends, no particular one. In the evenings I am studying English and other languages. Now I must explain about theatres. In Sofia there are 35 theatres and 12 symphony orchestras."

That evening I told Elka I wouldn't need her again. I would go around Bulgaria solo, with the car and the driver who spoke no English.

Next morning she awaited me on the hotel steps. "I must stay with you, it is written so." At least she had smartened herself up, starched her white blouse and brushed her hair. I noticed what dark eyes she had, with a look in them that Slava call *sendaf*, a yearning for something lost for ever.

I did nothing to cheer her up.

Like so many western visitors, I sneered at everything: Sofia's tiny back streets where you flattened yourself against a wall to let the tramcar go by; the ragged tarmac of the ring road; the tobacco fields out of town where the harvesters did everything by hand.

Elka was not provoked. At Kila village I escaped. While she was rummaging for more notes, I climbed an iron ladder up the side of a house to a chimney stack with a stork's nest on top. I saw my guide below, hot and dusty, clutching her handbag, pestered by gipsy children, looking for me. I came down, feeling ashamed. Elka wept a little and borrowed my handkerchief.

"I am not a good guide," she said. "I did not work hard enough." There is nothing like hot tears for melting the ice. Before long I was hearing Elka's laugh.

By the time we came to the Roses Valley, where amorous schoolboys twisted flowers in Elka's hair, we were chatting like human beings. The handbag, that bottomless pit of notes, was left in the car. The boys were doing their compulsory holiday jobs. Elka remembered her own. "We had the pleasant tasks. We arranged peaches and strawberries in boxes; we picked lavender and gathered rose-buds for the attar distilleries. No pay, but a free meal every day, and at night we slept in empty schools. We travelled in carts, like gipsies. We saw different parts of our beautiful land. It was a happy time for me." Elka shed a tear and borrowed my handkerchief again.

At Sofia airport, our trip ended. Elka stood on the tarmac to see me safely on board the flight. "Come with me," I said. "Come to England and I will be your guide."

"That is a dream which cannot come true," Elka said.

□ □ □

Ten years later, I am again standing on hotel steps in Sofia. They belong to the high-rise Otani, a Japanese-financed monstrosity. Pin-striped dignitaries and limousines come and go under a pink and white awning.

"Now it is busy," says a voice behind me, "but at night, when it is quiet, you will hear nightingales singing beside the pool." She is buxom, almost matronly, in a smart polka-dotted outfit, red, white and blue. "Good morning," she says. "I am your guide, you may call me Elka." We sit on the patio, and at a twitch of her braceleted wrist, two frosted Camparis appear. It is great to see her but..."You've made a mistake, my guide is supposed to be a Miss Encheva."

Elka knows that. "I saw your name on the list and made a change. It is easy for me, I am senior guide now, *njama problemi*."

All these pin stripes, silver ties and black hats, she

explains, are delegates attending a computer-fraud conference. Bulgaria is the computer capital of eastern Europe. "But since 1991 we have many surplus technicians. They amuse themselves by creating computer viruses. Sofia is the metropolis of the virus."

A wave of her hand brings a limo to the head of the queue. Last time we travelled in a claustrophobic Bulgarian Fiat. "Is it really only 10 years?"

"Exactly 10," says Elka. "And now I am married and have three children. They are on holiday with their father on the Black Sea."

By way of Berkovitsa, town of strawberry wines, we head for the Danube and its miles of sunflower plantations and dirt roads unsuitable for limos. The driver doesn't like it, but he is wax in Elka's hands.

We stop at Lom to buy one of the famous watermelons which hang on frames above the Danube's chocolate-coloured flood. We shop at Roussel for an electric blanket for Elka's mother-in-law: in Sofia they are in short supply.

I want to walk into Romania across the Bridge of Friendship. "*Njama problemi*," says Elka. "All the border guards are my friends."

At Silistra we hunt for contact lenses. Elka keeps getting dust behind hers, and here you can buy them off the shelf.

We lose our way among the sunflowers and for long stretches we have the Danube to ourselves except for the occasional miller rowing out to a water-mill anchored in mid-stream.

Elka never stops talking.

"Do you chatter like this when you are on the tourist buses?"

"Ah no. People are sleeping or talking among themselves. A new guide, in between towns with nothing to see on right or left, will pick up the microphone and say 'Now we shall speak of education, now we shall speak of agriculture.' I don't do it. I answer questions only. I always know what the question will be. For example, there is always an American who asks 'were you a Communist?' I reply 'No'. 'Why were you not a Communist?' 'That's my affair.' After that, the bus sits stony-faced. No more questions. *Njama problemi*."

We eat at a vineyard near Novgradets. When the manager sees Elka, he takes away the wine from our table and brings another bottle. "A new manager," says Elka. "When I came last year the old manager was receiving inspectors from Vinprom, the wine co-operative. They came out, all laughing and the manager drunk. However..."

"What tales you guides must tell when you are together." "Believe me we do. Every year we have a banquet of guides. We invite our bosses, and through our speeches and jokes they learn what it is like to be a guide for foreign tourists, especially a young girl by herself alone."

"These 10 years have taught you something of human nature?"

"Two things they have taught me. First, how little the people of different nations know of one another. Second, when we do meet, how much we are all alike."

At Varna airport the barrier is closed, but Elka soon gets it opened. No time for a proper farewell. From the Tarmac, I turn to wave. She is dabbing at her eyes with a white handkerchief. Specks of dust behind the contact lenses, I suppose.

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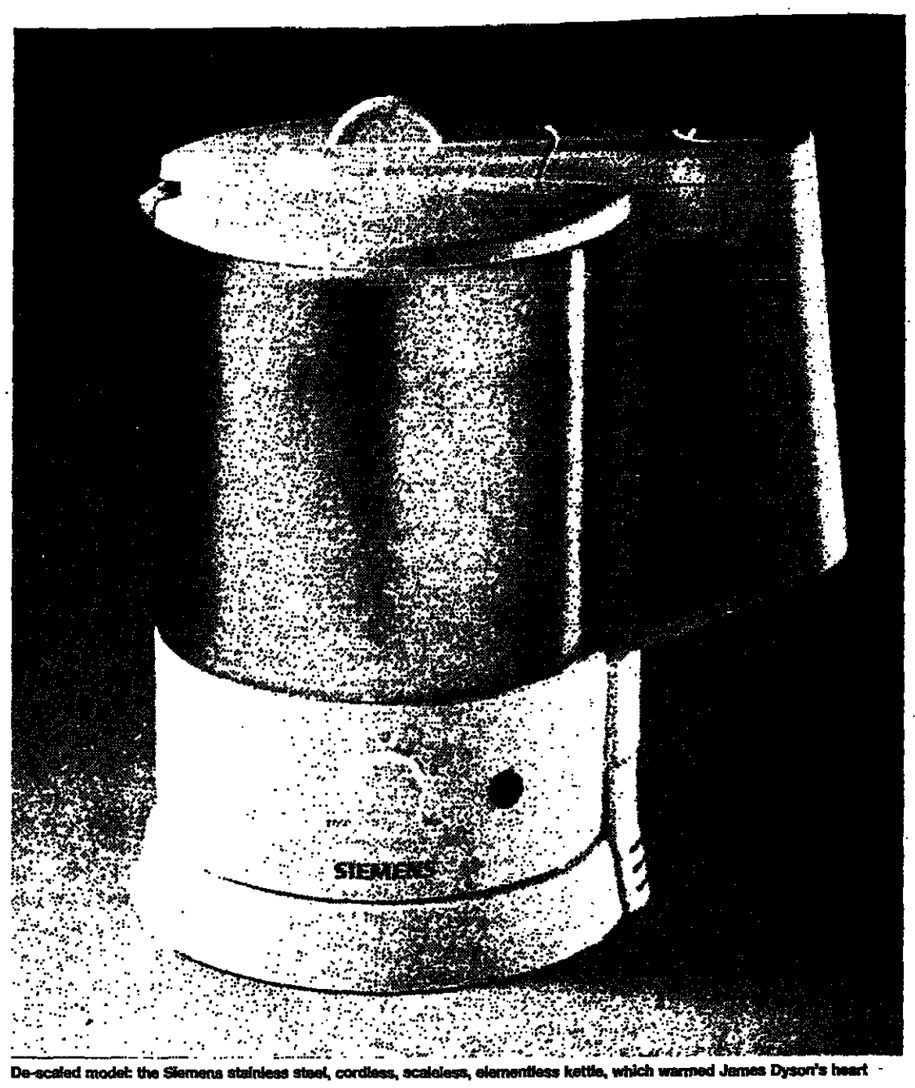
That floating feeling: the Aeron office chair was Bill Moggridge's favourite design of 1994



De-scaled model: the Siemens stainless steel, cordless, scaleless, elementless kettle, which warmed James Dyson's heart

A glance back at the future

Lucia van der Post asks what were the best, most forward-looking, designs of the last 12 months

The beginning of a new year is a good time to look back on the old. Just which were the products that during 1994 caught some of the sharpest eyes around?

Here, *How to Spend It* asks a few designers, retailers, and movers and shakers to tell us what were their favourite discoveries of 1994.

■ **Sheila Pickles, managing director of Penhaligons and author.**

"My Toshiba laptop (the T1950C) which I use for writing my books, and Post-it notes. I have a selection of Post-its in all sizes and colours and leave messages everywhere on them. If I am allowed to mention one of my own products, I never travel anywhere without one of Penhaligon's emergency kits – it has everything from a mirror and a calculator to a nail-file, pair of scissors, and Post-it notes, all in a neat and elegant package." (Large size is £295).

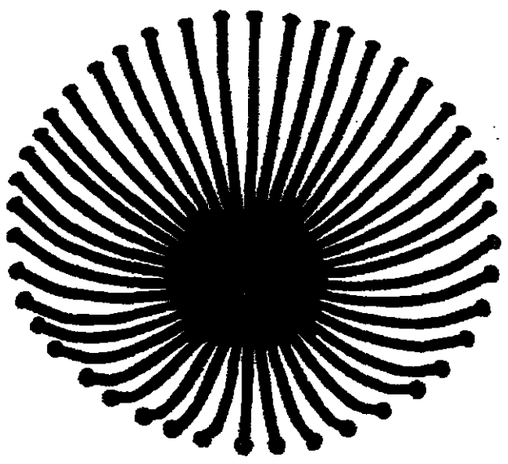
■ **David Davies, designer and M.D. of Davies Baron.**

"As someone who hates getting up in the morning the Dream Traveller's Alarm Clock is an absolute must. I was given it as a present and it has completely obliterated the dread of being woken up either by an awful electric buzzer or, worse still, a Radio 1 DJ. This nifty digital clock has three different settings from which you can choose how to be woken – the only difficulty is deciding whether it should be the sound of singing birds, soothing waves or crying sea gulls." Available from The Leading Edge (tel: 071-318 3347) and some big stores for about £30.

■ **Richard Rogers, architect, responsible for, among others, the Lloyd's building and the Pompidou centre in Paris.**

"Two things are worth mentioning – one is Nicholas Grimshaw's Waterloo Terminal which is innovative and utterly modern in appeal. The other is The Big Issue, the magazine for the homeless, which is not only a very good buy but also gives a lot of hope to those who really need it."

■ **Liz Shirley, fashion director of Marie Claire and co-owner of The Shaker Shops at 25 Harcourt St, London W1 and 322 King's Rd, SW3.**



Nail bowl: Emily Ingles' design was the choice of Ilse Crawford

"The best design of 1994 has to be the glass house commissioned by Jeremy King and Debra Hauer and designed by Future Systems. It is a wonderful and unique design and I admire them tremendously for having the courage to commission such a brilliant piece of architecture – how wonderful to lie in bed and see the weather go by!

"Having always said I could not bear to be a 'mobile-phone yuppie' I recently bought a light, small and extremely well-designed one by Ericsson – the 237 (about £99) and already it has made a difference to my daily life. I bought it after I had had two rather stressful incidents, one late at night, when everything would have been simpler if only I had had a mobile.

"My other great 1994 buy was a pair of black silk gold-embroidered pumps bought in Southall Market for £9.99 – I just wish I had bought two pairs."

■ **Simon Andrews, modern furniture specialist at Christie's.**

"Not being the world's greatest shopaholic. I saw only one thing in 1994 that I really wish I had bought and that was the Heals' dining-room set which was auctioned at Christie's. It was a beautifully crafted oval table with six matching chairs that sold for the incredibly reasonable price of £1,500."

■ **Jeremy Bullmore, director, WPP Group and Guardian Media Group.**

"I found the first one at the Dorchester Agricultural Show. Save the Children also had them in their Christmas catalogue but they were out stock when I tried to order six more.

"I am not sure what they are called but this is how you make them. You get a tea-towel (pure cotton, pleasing design); sew it longitudinally into a cylinder: put knicker elastic round the bottom; knicker elastic and a loop at the top: and it is finished.

"What you do then is take all those plastic bags you've got stuffed inside another plastic carrier bag hanging on that hook in the kitchen and stuff them instead into the top of this thing. It takes millions. Then when you want a plastic carrier bag, you just pull one out from the bottom.

"This is much the most useful new thing I have come across this year. (Not many people would be brave enough to admit that)."

■ **Sue Crewe, editor of House & Garden.**

"The best design of 1994 was the Lutron Grafik Eye Lighting System which I have had installed in my own office. It enables you to pre-set your lighting to four different settings and to adjust the brightness by pressing a button."

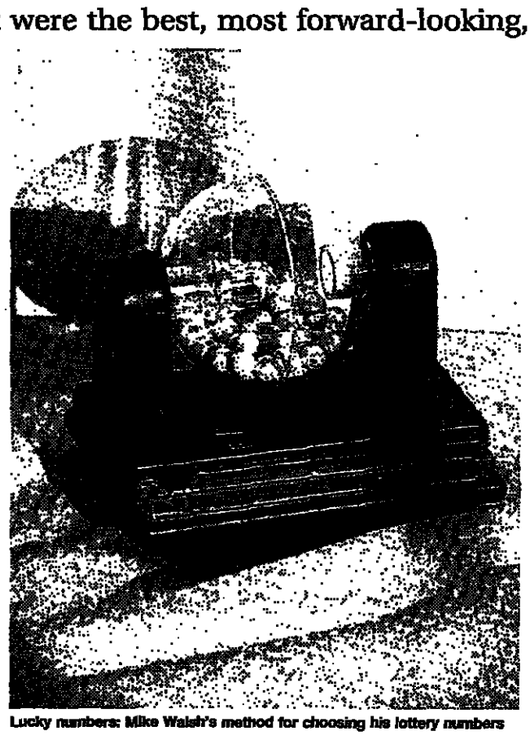
■ **Paul Smith, fashion designer.**

"My best buy was a 'Basic' insulated thermal jug costing about £35 by Ross Lovegrove and Julian Brown. Potentially a flask is a boring utilitarian item but Lovegrove and Brown have turned it into a happy and interesting object. Its transparent appearance in bright colours gives the feeling that you can see liquid inside even though that is just an illusion. It was runner-up in the 1993 BBC Design Awards but unfortunately is another example of a hugely successful product designed by a 'Brit' but for a foreign manufacturer."

The flask can be bought at Aero in Westbourne Grove, Notting Hill, London W2 or telephone 071-221 1950 for further information.

■ **Joanna Wood, interior Designer.**

"It's got to be the Channel tunnel for me – though the attraction lies more in getting to Paris than in the design of the tunnel itself! My best buy has to be a National Lottery ticket which I buy every week and fantasise about winning a million and buying lots of new houses to decorate."



Lucky numbers: Mike Walsh's method for choosing his lottery numbers

Tony Ford's choice of watches...

...and his choice of scarves

■ **Roland Klein, fashion designer.**

"My best buy was a watercolour by the Somerset artist, Andrew Crane. The subject is very simply of the sea but inscribed into the sand are the words 'So happy just to be alive' which is taken from a Bob Dylan song 'New Morning'."

■ **Edina Ronay, fashion designer.**

"Man-made synthetics and the way they are being used in high-fashion are my discovery of the year – especially rubber, plastic, PVC and vinyl.

"On the hand-crafted side I have discovered the beauty of devoré fabrics and anything which has been distressed."

Washable suede: worn by Linley

■ **Patsy Seddon, founder of the fashion chain Phase Eight.**

"My discovery of the year were two new fabrics. Tencel is a great alternative to the stiff material used for jeans and Marks and Spencer is using it a lot. Cupro is another fantastic man-made fabric. I have used a satin version in my most recent collections."

■ **Mike Walsh, chairman Ogilvy & Mather Europe.**

You would think that a businessman managing numbers on a daily basis, not always totally under his control, would have a vicarious pleasure in being able to select numbers of his own choice. Not so with the weekly decisions required in the national lottery. Having plumbed the recesses of the active mind to find the birthdays of the wife, the two children, his own birthday and wedding anniversary, there is probably still a requirement for more numbers to fill more lines.

"Help is at hand with my product of the year. It is a battery-operated lottery number selector sold – where else? – in the US for $15. It replicates the selection process we see on our screens every Saturday night. Fifty numbered balls are put into a transparent plastic globe which turns around. You then press a button six times and out come your numbers on a random basis.

"The result: stress free lottery participation. Unless you win, of course!"

■ **James Dyson, furniture designer.**

"Without question the Siemens stainless steel cordless electric kettle. For those fed-up with trying to de-scale their kettle it is a godsend – here at last is a kettle without an element. The bowl that contains the water is free of the element that usually scales up so quickly. Instead the element is housed underneath so that it does not become scaled and furred. Visually it is rather charmingly unstyled. There is no pretence of 1980s or 1990s styling – its form is a simple and geometric expression of function. The cylindrical stainless steel water container has a simple plastic handle which connects to the base, and registers visually the umbilical function that it is performing. It is an honest design with a real technical benefit."

It sells for £52.90 and for details of local stockists contact Siemens on 081-848 3777.

■ **Viscount Linley, furniture designer, founder and chairman of David Linley Furniture**

"My best buy of the year was a waterproof, machine washable suede-look jacket by Nick Ashley, which costs £375. It is smart enough to wear to work but warm enough to wear while riding my motorbike and it is waterproof. The whole Nick Ashley collection is very innovative, using all sorts of new-fangled materials such as Polartec."

■ **Tony Ford, Chairman of the Craft Council.**

"I really like the Contrast range of watches designed by Marianne Forrest that sell for about £35 – they are extraordinarily good value and have patinated, hammered or textured faces, quite unlike anything else on the market.

"I also like the devoré velvet scarves by Sharon Ting – the velvet is hand-printed and hand-painted in a range of hot colours and they look and feel delicious."

Marianne Forrest can be contacted on 071-609 6621.

■ **Ilse Crawford, editor of Elle Decoration.**

"The best design of 1994 was the enormous metal bowl made by Emily Ingles (tel: 0252-615 916) which appears to have been constructed out of large nails. It is elemental, functional and clever. It is £190 which is not a silly price for a one-off piece and it typifies a new mood of elegant realism in the work of graduate designers who are finally producing pieces that are beautiful but can also be used for everyday life."

■ **Bill Moggridge, furniture designer, founder of Ideo Product Development Company.**

"I think the Aeron Office chair designed by Don Chadwick and Bill Stumpf for Herman Miller was one of the great designs of 1994. The seat and back are made of a new elastic woven material that looks deceptively like chain mail but replaces conventional upholstery, cradling the body so that it feels as if it is floating. The chair was researched and redesigned with the aid of new tools such as the pressure mapping system that senses and displays weight distribution. It looks rather frighteningly like a dentist chair but it really does offer great comfort.

"My other great discovery was the Mosaic & Netscape designed by Marc Andreesen of Mosaic Communications, in California. There are about 3m copies of Mosaic in use around the world, giving those of us who like to point and click the chance to navigate the endless tracts of the Internet and browse on the worldwide web. Andreesen created the Mosaic program when he was a student at the University of Illinois last year and put it on to the Internet free of charge. The extraordinary success of the idea has turned him into a rising star."

■ *Additional research by Katie Crichton-Miller*

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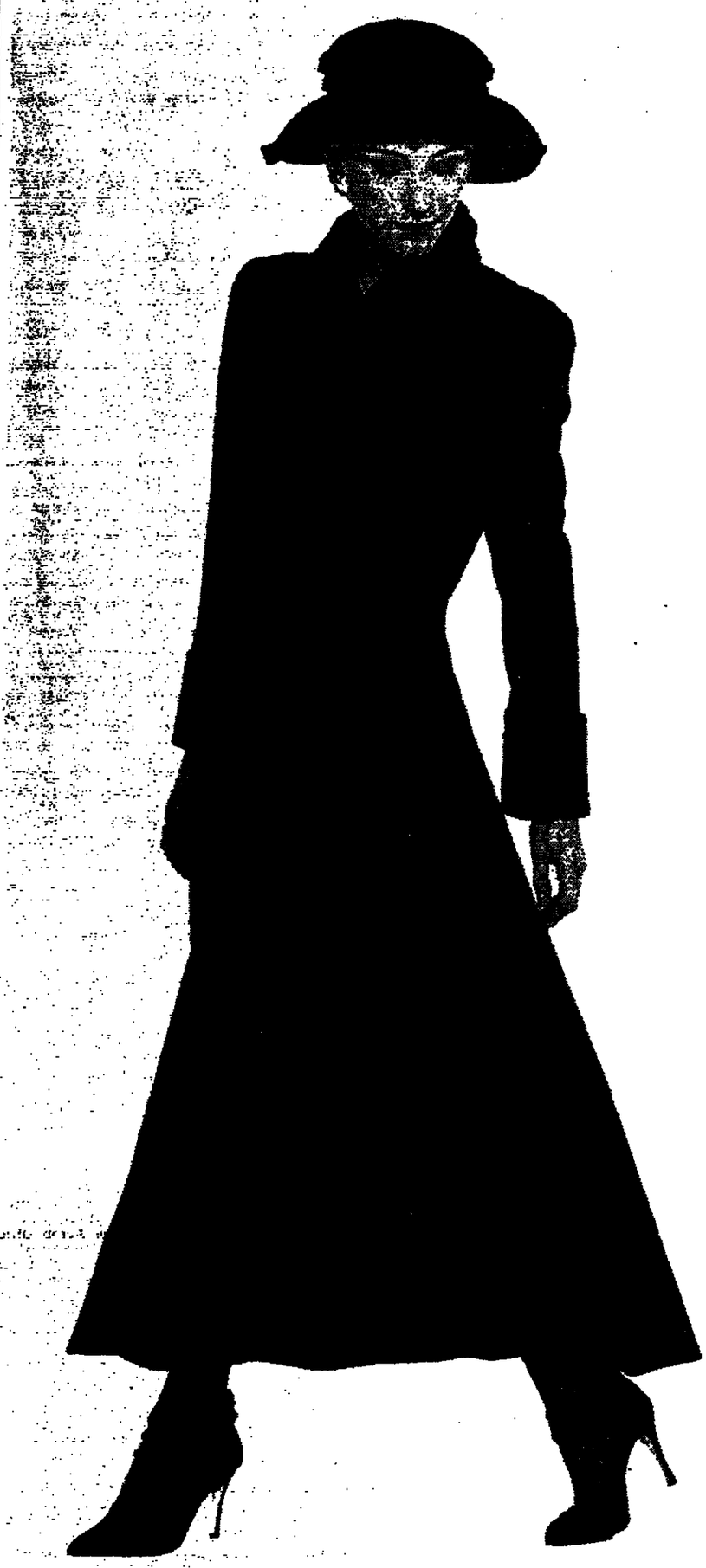

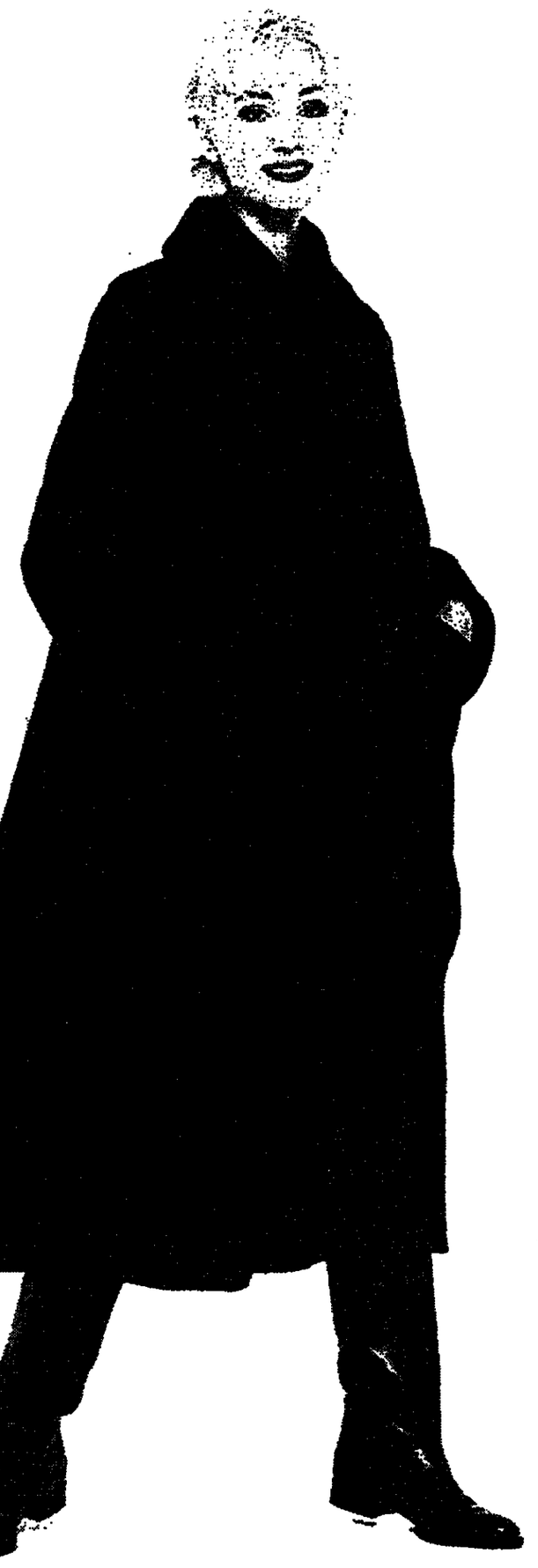

Deep brown double-breasted long coat with high-waisted half-belt, above, by Dries van Noten, £335 (from £605) at Browns, South Molton Street, W1. Printed georgette dress, £125, from Whistles branches, from late January. Diamanté necklace, £135, from Erickson Beamon.

☐ Left: Black wool fitted coat with fake astrakhan trim and corded buttons, left, £423, from £723, at Caroline Charles, Beauchamp Place, SW3, and New Bond Street, W1. Shoes, £95.50 from Russell and Bromley. Hold-up stockings by Aristoc, £2.99. Velvet hat, £9.99, from Debenhams branches.

☐ Right: Navy wool coat with dark brown fake fur trim, right, by Marella, also in forest green or black, £169 (from £345) at Fenwick, New Bond Street, W1. Riding boots, £195 from Russell and Bromley branches. Diamanté earrings, £49, from Erickson Beamon, Elizabeth Street, SW1, and Fenwick, W1.

Hair ...for Ellishelen, Walton St, London, SW3.
Make-up ...Helen Frampton at Mandy Coakley
Pictures .....James Martin

Time to wrap up a good deal

Avril Groom selects coats from the sales that will give you a good return on your long-term investment

It is the oldest dilemma in business: whether to buy at the bottom of the market on the basis that something which has come down so far must soon go up. You take the chance of either a handsome return for your modest investment or, as your purchase remains stubbornly on the floor, of time proving you wrong.

This is as true of shopping as of any other transaction, especially at sale time. This season's absolute best bargain, at least superficially, is a coat. The prolonged mild autumn coupled with economic uncertainty has made many people loath to commit themselves to such an important purchase. Because coats are less subject to fashion's whims than most garments, they have concluded that last year's model will do.

As a result, shop rails are still groaning under the weight of wool. One well-known high-fashion store claims to have "a roomful" of unsold coats. Some shops reduced coats before Christmas and now main sale reductions have brought them down to about half-price. There is even a belief that, in a globally-warmed, centrally-heated world, the coat is an outmoded fashion dinosaur.

However, canny retailers who use Weather Initiative – a Met Office service tailored to individual businesses which extrapolates from past records to give monthly advice on which selling strategy can be based – are hedging their bets. One cold snap does not a winter make but Harrods is holding back some of its coats from the sale, convinced (whether by science or clairvoyance it does not say) that February will be cold.

So whether a coat is a good buy or not depends on your lifestyle, your choice and your favourite store's attitude. If you are a high-flying urban animal, going from warm house to warmer office via a car parked at close proximity, then perhaps you need nothing more than a light three-quarter jacket over your power suit.

If you use public transport, spend time in the country or enjoy being outside in cold weather, then a warm, enveloping coat is essential in most winters.

If you buy a reduced-price coat and Harrods' hunch is right, your bargain could pay for itself in one season. If temperatures remain in double figures and your new coat is mothballed, you want to be sure it will still look good next year.

Buying a classic camel or navy coat is the surest way to look smart one or even five years ahead. It is also the surest way to look boring. More imaginative is to choose one with a hint of current styling but not so much that by next winter it will be "passé". Thus, fitted coats with long, sweeping skirts are in vogue but avoid any obviously 1970s-style details or an aggressively military cut. Beware of an overload of gilt buttons but do not be put off by a few – you can swap them for plainer ones. Fake fur trims on collar or cuffs are very "this season" and shaggy Day-Glo is likely to stay that way. Dark, discreet fake astrakhan or beaver will have more longevity.

The long coat – which predominates among sale bargains – has not suffered the long skirt's descent into dowdiness. Over slim trousers or a short skirt it has swashbuckling panache, provided it is full-hemmed. Look for either a gently body-skimming bodice (but not too skimpy or it will fail in its purpose as a warming top layer) or a coat that falls long and full from a narrow shoulder line.

Avoid the dated reverse silhouette of a slim, tube coat with man-sized shoulders. The priorities are generous fabric and a soft overall impression; the wrap-and-belt style popular for less formal country coats is a good choice.

The most obvious accompaniment to a long coat is tall boots – polished low-heeled ones for swing coats and easy-fitting Russian styles, skinnier ones, perhaps in over-the-knee suede, for fitted, full-skirted coats. The return of the high heel adds a new dimension but the only long coats it really suits are evening styles or a neat-waisted coat in dressy black.

With short coats, however, high heels come into their own. Add a neat head, red lips and a boxy bag and you recreate the svelte 1950s sophistication which was such a feature of the spring catwalk shows. The only snag is that, as the latest fashion twist, few short coats have reached the sales. Those which have tend to be classic in style rather than the last word.

But a minimum of ingenuity sets them right. A short swing coat looks sexily grown-up with a clingy knee-length pencil skirt and high heels. A classic, velvet-trimmed overcoat echoing the Crombie style for men looks wonderful over a sharply-cut trouser-suit feminised with diamanté or pearls. And a coat cut to the knee as the commercially "safe" length now looks seriously fashionable if worn with heels, brighter make-up and a diamanté hairslide.

Crushed raspberry alpaca/wool long coat with detachable fur collar £595 (from £995) at Céline, Sloane Street, SW1. Diamanté hairslide, £36 from Erickson Beamon.

Apart from coats, designer clothes appear to be this season's other casualty of the lack of a feelgood factor among consumers. There are great bargains but seduction by label is still possible, so only buy if you love the outfit as much as its glamorous name.

If Ozbek, Calvin Klein or Dolce e Gabbana are your passion, you will find them with up to 50 per cent off at Harvey Nichols. Dickins and Jones has Betty Jackson's collection at half price; 40 per cent off Georges Rech, Paul Costelloe and Tomasz Starzewski, and one-third off N. Peal cashmere.

At Liberty, Yohji Yamamoto, Issey Miyake, Ralph Lauren, Vivienne Westwood and Flyte Ostell are half price. Fenwick has up to 50 per cent off Nicole Farhi, Betty Jackson, Mani, Jasper Conran and KL, with 30 per cent off Ally Capellino, knitwear by John Smedley and bags from Bill Amberg and Mulberry.

Harrods' huge list of reductions includes Chloé, Ozbek, Montana, Genny and Sonia Rykiel at half price and 40 per cent off Jil Sander, Gucci, John Galliano, Jean Muir, Thierry Mugler and John Rocha.

One last tip for your sale shopping: Weather Initiative's forecast for this month is predominantly mild and rather wet. So coats in water repellent fabrics such as loden, could give the best quick return.

■ **Best of the Rest:** Yohji Yamamoto's dark brown wool/mohair Japanese style long coat with purple silk lining, £724 (from £1,449) at Liberty, Regent Street W1.

■ **Other sale coats for high style and value:**

☐ Ginger wool/cashmere tie-belt coat with fake fur shawl collar, £199, down from £379, at Jaeger.

☐ Ralph Lauren black wool/cashmere single-breasted, full-skirted military style with red collar and brass buttons, £957.50 (from £1,915).

☐ Maxmara navy double-breasted wool/cashmere loose-fitting knee-length coat, £273 (from £455) at Dickins and Jones, Regent Street, W1, Kendals of Manchester and Frasers of Glasgow.

☐ Wool/cashmere charcoal grey long wrap coat with tie-belt, £245 (from £345) at Harrods, Knightsbridge, SW1.

☐ Navy wool, Crombie-style, college coat with velvet trim, £179 (from £269) at Harrods.

☐ Cream lambswool fitted double-breasted long coat with corded buttons on front and cuffs, £1,100 (from £2,200) by Catherine Walker for the Chelsea Design Company, Sydney Street, SW3.

☐ Black velvet long evening swing coat with hood, £199 (from £299) at D.H. Evans, Oxford Street, W1, and Selfridges, Oxford Street, W1.

All these sales are now on.

Black wool swingcoat with fake fur trim, also in red, £350 (from £450) at Aquascutum, Regent Street, W1. Velvet skirt, £92, from Georges Rech, Sloane Street, SW1. Red cashmere sweater, £145, from Pringle, New Bond Street, W1 and S. Fisher, Burlington Arcade, W1. Patent shoes, £89.50, from Russell and Bromley. Earrings, £16.95, from Fenwick.

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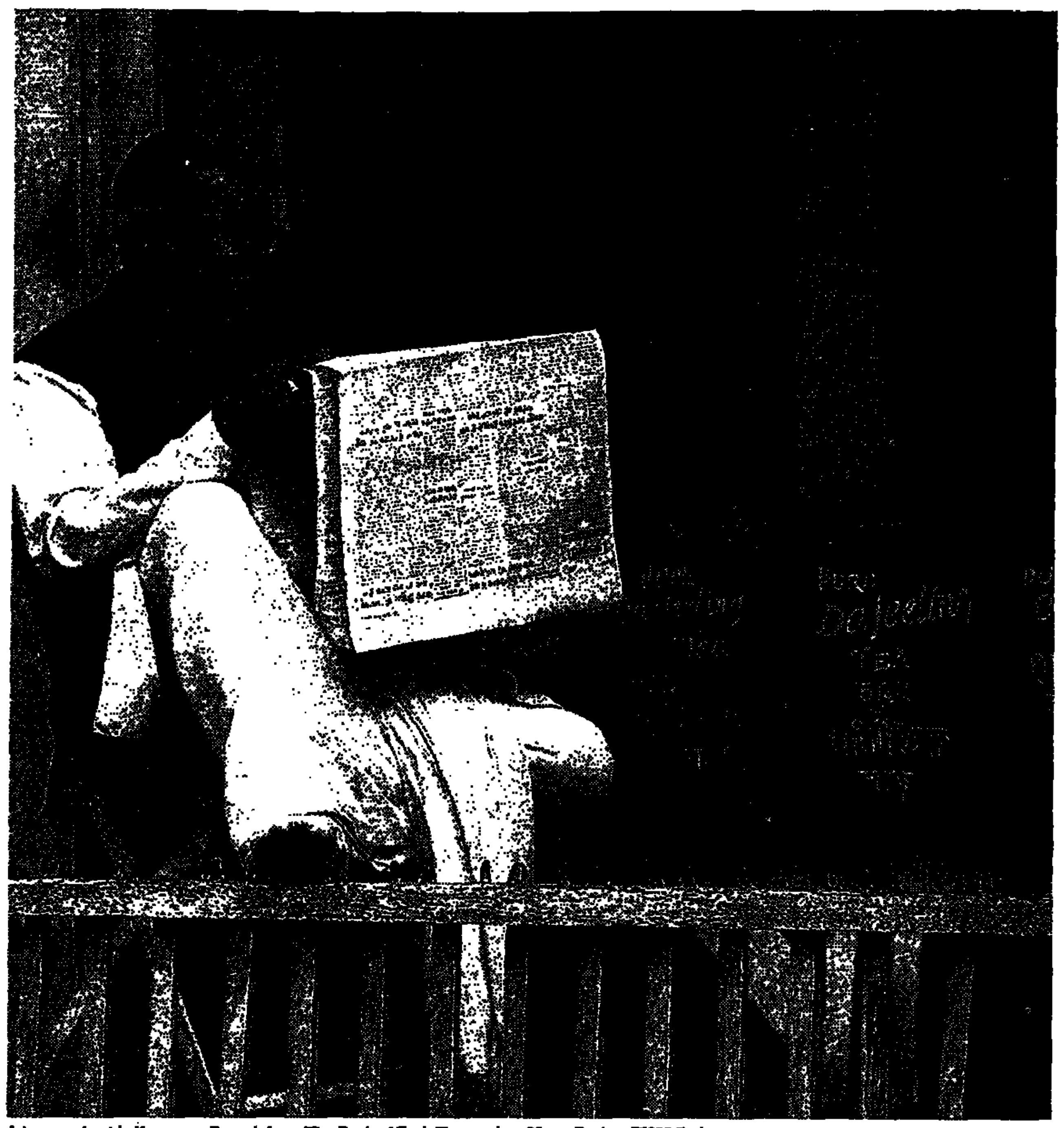

A tea merchant in Kurseong, Bengal, from 'The Book of Tea', Flammarion, 26 rue Racine, 75006 Paris

Buying tea

A bitter taste for India's tea traders

Giles MacDonogh finds disquiet in the dealing rooms of Calcutta

Calcutta does not look much like the centre of anything, except possibly the centre of chaos. The entire, vast city seems to be festering: its once proud buildings are rotting on their foundations. Nowhere is this more true than in the old business quarter.

Here, the banks, the mill owners and indigo traders had their headquarters under the Raj. From the outside they appear so squalid that it is hard to imagine anything going on behind those grimy, peeling walls. Yet up a thousand stairwells, Calcutta throbs with activity and millions upon millions of rupees are changing hands.

Among other things, Calcutta is the centre of the Indian tea trade. In what, from the outside, looked like a particularly dilapidated building in Netaji Subhas (formerly Clive) Road is R.K. Agencies, where Yash Vohra works.

He buys expensive teas for the British market, and much cheaper ones for eastern Europe. Vohra took me through the city centre to R N Mukherjee Road where J. Thomas, Calcutta's biggest tea brokers, has its offices and auction rooms.

The chairman of J. Thomas is Harish Parekh. He took me to the boardroom and showed me the heavy old wooden table on which generations of Thomases had carved their names. The last Thomas left in the mid-1950s, but from the other side of the globe they still take a friendly interest in the company that bears their name.

Things are not so good in the tea business. The problem is Russia and the former eastern block. In the old days, the rouble and the rupee were pegged at the same level and the Soviet Union was an important market for the blacker, stronger Indian teas. Since the collapse of the Soviet Union there has been no money to buy tea. India has lost its most useful bulk market.

> The British buy 30,000 tons of Indian tea each year – but the best goes elsewhere

Although the British buy as much as 30,000 tons of Indian tea each year, it is not the high grade stuff. The best tea is bought by the Germans and the Japanese.

Parekh pushed a catalogue from the company of Paul Schrader, in Bremen, Germany, across the table. The list of first and second flush (the very best) Darjeelings was magnificent.

I had never seen such teas offered in Britain.

When the Germans come to the tea gardens they stir things up. They inveigh against the use of children as pickers and the use of chemical fertilisers. The planters have begun to listen to the Germans, at least as far as organic farming is concerned. After all, the Germans have the fattest cheque books.

In the days of the Shah, Iran was also in the market for quality teas. The Shah wanted just tips, the most precious and most aromatic part of the tea bush. A servant would bring him in the tea and show it to him before it was made. There are still a few sheikhs out there, says Parekh, "paying very fancy prices".

The prices can be very high indeed when two or three buyers begin to fight it out in the downstairs auction room. The best Darjeeling sells at around Rs1,000 a kilo, but prices have been known to go up to Rs13,000 for a particularly remarkable "invoice", as the lots are called here.

We went down to the auction room. Apart from some novel blood curdling cries, designed to attract the auctioneer's attention, it was little different from an ordinary auction.

Everyone wanted to know where the big money was sitting – chiefly the buyer for Brooke Bond.

It was not a good day: "This is going cheap, sir," said the auctioneer in an imploring tone.

A top Darjeeling invoice had reached Rs575 , but less distinguished orthodox teas were down to Rs50. At that price they were selling for less than the more commercial CTC (crush, tear and curl) teas.

We went up to the huge tasting room; the biggest in the world. Some invoices had been laid out for me and the little white pots were brewing behind the handleless cups.

Try this, said Vohra.

"Ah! At last. It's the Muscatel character!"

This was the elusive bouquet of the world's finest tea. In the hills of Darjeeling I was to encounter it again, but this was the very first time I had experienced that slightly sharp raisin smell. Others had more fruit character: peaches, apricots or mangoes. The Darjeelings were noticeable also for their colour. "A bright coppery infusion," Vohra called it. The worst quality CTC tea was a muddy brown in comparison.

J Thomas has no problem selling teas of this quality, but Darjeeling is, at a mere 11,000 tons, "a drop in the ocean".

The real nature of the crisis becomes apparent when one learns that 55 per cent of J. Thomas's business was with the Soviet Union and eastern Europe until the big change in 1989.

Stockists include:

■ Newby Teas, Northburgh Street, London EC1 (tel: 0800-136662 fax 071-490 0405).
■ Top QualiTea, 87 Rollason Road, Coventry CF6 4AP (tel: 0203-668463 (proceeds to Oxfam India).
■ Whitard and Company, 81 Fulham Road, Chelsea, London (071-589 4261).
■ Harrods of Knightsbridge, London 071-730 1234.
■ McNulty's Tea and Coffee company, 109 Christopher Street, New York (0101 212 242 5351).
■ Betjeman and Barton, 23 Boulevard Malesherbes, 75008 Paris (010 331 42 65 86 17) and also at 24 bvd des Filles-du-Calvaire, 75003 Paris.
■ Hediard, 21 Place de la Madeleine, 75008 Paris (010 331 43 12 88 88).

Plucked, stripped and stirred into action

Philippa Davenport finds ways of making delicious meals from a seasonal overabundance of pheasant

By the 13th day of Christmas, excessive feastings should come to an end. Plum pudding, mince pies and brandy butter have been demolished. The cake is reduced to crumbs. The turkey has done its last duty in the stockpot. The ham is little more than a bone. All that remains of the goose is pots of fat – enough to roast vegetables until spring.

But no sooner is one run-down well under way than another build-up begins. Boxing Day and New Year shoots have brought their toll, and many a larder wall is now hung with pheasants. No peace for the cook, it seems.

A reader – who is, I sense, a mite fed up with the performance of roasting and casseroling an enthusiastic partner's bag – has sent me the following suggestion for making fast and delicious inroads into an over-abundant supply of pheasants.

For **Faisan á la Forbes**, cut the breasts from the birds, she advises, and maybe some of the thigh meat if you have the patience. (Simmer the rest with carrots, celery and leek to make the best of all broths.)

Cut the meat into small strips or quills. Heat a large frying pan or wok. Add a little oil, then the prepared pheasant, some finely chopped garlic, pepper and salt and toss over fairly high heat until done. Dress the pheasant as soon as it is cooked with vinaigrette flavoured with a little tarragon vinegar, a pinch of sugar and plenty of Dijon mustard, and allow to become cold.

As near to serving time as possible, add a few matchsticks of cucumber, (salted and drained), segments of orange and halved seedless grapes. All it needs as accompaniment is watercress and maybe brown bread rolls.

This salad is just the sort of food that is needed to counterbalance the over-indulgence of Christmas feasting – fast work and not too heavy on the stomach. It is an idea well worth trying even if you have to buy pheasants to make it. Such is the surplus from local shoots in some areas that an unplucked brace is unlikely to cost more than £1 or two. Alternatively, supermarkets now sell filleted breast of pheasant for about £3 per pair.

Using Mrs Forbes's recipe as my springboard I have come up with a few variations on the theme. Like her I allow one breast portion per person but I am inclined to toss the quills of meat in olive oil with flavourings and leave it to marinate for at least one hour before cooking – five hours is not too much. This serves to lubricate meat that tends to be dry, helps to tenderise a tough old bird and adds flavour to one hung very briefly.

For four breasts, or 1lb of meat, I would allow about three tablespoons of olive oil, one teaspoon of vinegar (preferably balsamic or sherry), a good shake or two of soy sauce, a grinding of black pepper, plus a little thyme, or crushed juniper berries or grated orange zest.

A salad combination known in this household as red pheasant salad offers a lively mix of earthy, sweet, slightly bitter and gamey. To make it, prepare and marinate 1lb pheasant meat as described and soak 2oz sultanas in vinaigrette (made with balsamic or sherry vinegar) to soften the fruits a little. When ready to cook, add to the sultanas in the salad bowl about 6oz-8oz plain boiled and diced beetroot and 2oz-3oz shredded *rosso di Treviso* or *radicchio*. Toss to mix and anoint evenly with the dressing.

Then take a generous handful of slightly stale bread (torn into tiny pieces or very coarsely crumbed). Toss the bread in a modicum of olive oil and fry in a very hot pan until well toasted and crisp. Keep hot together with 1oz or so of well-toasted walnut pieces.

Stir-fry the pheasant as described and add it to the saladings. Scatter with the fried bread and walnuts, mix quickly and serve while the meat is still warm and the bread still crisp.

Similar colourings and some overlap of flavourings can be enjoyed by serving stir-fried strips of pheasant with caramelised shallots on the side and a dish of red cabbage braised with sultanas or raisins and caraway or cumin.

Incidentally, both vegetable dishes reheat well, making this an easy choice for a late-night supper.

Also to be recommended is **Pheasant Stroganoff**, for which ¾lb of meat is probably enough to serve three people.

Prepare and marinate the meat as usual, with plenty of thyme. Slice ¼lb mushrooms, sauté and keep them hot. Then soften a large onion (cut in half and sliced wafer thin) in a large knob of butter. Cover the sauté pan and keep the flame very low so the onion becomes meltingly tender without browning. Remove and keep hot with the mushrooms.

Turn up the heat and stir-fry the pheasant for two to three minutes. Return the vegetables to the pan and quickly pour on ¼pt soured cream mixed with 1 heaped tablespoon fairly acid yoghurt, plenty of pepper and sea salt. Let the sauce bubble up gently and reduce until it clings creamily to the pheasant and vegetable mixture. Serve in a ring of just wilted spinach with plain boiled rice or a crusty loaf of warmed bread.

Bin end sale at Oddbins.

Big bin end bargains

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1993 Hardy's R.R. Australia	3.47	2.99	1990 Moscato d'Asti Vigna Senza Nome Italy	4.99	4.49
1990 Glen Ellen Sauvignon Blanc U.S.A.	3.49	2.99	1992/93 Santa Rita Chardonnay Chile	5.49	4.49
1991 Santa Rita 120 Cabernet Sauvignon Chile	3.49	2.99	1988/89 Geoff Merrill Cabernet Australia	6.49	4.99
1993 Santa Rita 120 Sauvignon Blanc Chile	3.49	2.99	1990 Graves Nouvelle Tradition, B&G Bordeaux	7.49	4.99
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1989 Glen Ellen Cabernet Sauvignon U.S.A.	4.49	3.49	1991 Ch. Reynon Rouge A.C. Premières Côtes de Bordeaux	6.49	4.99
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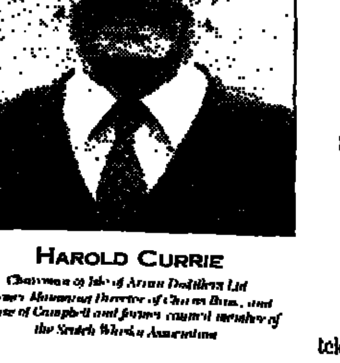

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Rugby Union / **Huw Richards**

Shadows fall on the valleys

Anyone who wants to know how strong rugby can be in the Welsh county of Gwent need only ask John Major. Not the prime minister, although, in addition to rugby, Gwent has a strong political tradition, including Aneurin Bevan and Neil Kinnock, but a namesake who hooked for the New Zealand All Blacks on their 1963 tour of Great Britain.

Major, then a robust 23-year-old farmer, started the tour with high hopes of a first test cap. These lasted until his second match, at Newport, county town of what was then known as Monmouthshire. On a muddy, windswept pitch he lost eight strikes against the head and Newport won 3-0. Major had to wait four more years for his single cap.

All Black defeats were, then as now, rare events. But Major's experience of being overwhelmed by tough, combative and proficient men of Gwent was less unusual. Historian Gareth Williams has described rugby as "a pre-eminent expression of Welsh consciousness, a signifier of Welsh nationhood". The contribution of south Wales' eastern county, squeezed between Glamorgan and the English border, has been at least in proportion to its one-fifth share of the region's population.

Newport ranks with Cardiff, Swansea and Llanelli among Welsh rugby's historic Big Four, until recently the only British club sides granted fixtures against touring teams. Gwent valleys clubs, such as Pontypool, Abertillery, Ebbw Vale, Cross Keys and Newbridge, produced forwards who combined industrial power with craft.

Not any more. Wales has capped 36 players since mid 1993. Only two were from Gwent. Newport, Pontypool, Abertillery and Newbridge occupy four of the 12 places in the Heineken League First Division – the bottom four places.

This is cause, if not for rejoicing, at least for amusement at points further west. The formidable, and genuine, expressions of national spirit put on for the benefit of other countries whenever the Welsh national team plays, conceal ferocious local and regional rivalries. Witness the remark by Ray Gravelle, the former Llanelli and Wales centre, that: "West is best and east is least."

But it is beginning to dawn on Welsh fans that Gwent's decline may not be good news anywhere in Wales. Followers of dominant Welsh clubs are discovering that beating old enemies ceases to be fun when they offer no real threat.

"I felt sorry for Pontypool," said a Swansea follower after watching them subside meekly last week – an admission that in the 1980s would have been akin to expressing sympathy for the Tonton Macoute.

Wales has a smaller population than its international rivals, so it cannot afford a traditional source of talent to run dry. Dai Smith, co-author with Gareth Williams of the Welsh Rugby Union centenary history *Fields of Praise*, says: "Wales is only strong when there are powerful clubs in the west, around Cardiff and in Gwent. Without either west or east, the centre cannot hold."

Single clubs may fall through ill-luck, mismanagement or complacency. Newport have arguably been afflicted by all three at different times in *the last 20 years, but the* decline of an entire county suggests wider causes.

Smith says: "Gwent's problems are the problems of Welsh rugby and you cannot ignore the decline of coal and steel. When the Ebbw Vale and Llanwern steelworks were at their peak, Ebbw Vale and Newport were powerful clubs."

> Fans are finding that beating old enemies is less fun when they offer no threat

The county remains competitive at school and youth level. The problem is retaining that talent at senior club level.

Welsh players have always changed clubs and there is nothing new about money, jobs or international recognition being used as inducements. But the process has acquired fresh urgency in the first four years of league rugby as clubs strive for titles, advancement or survival.

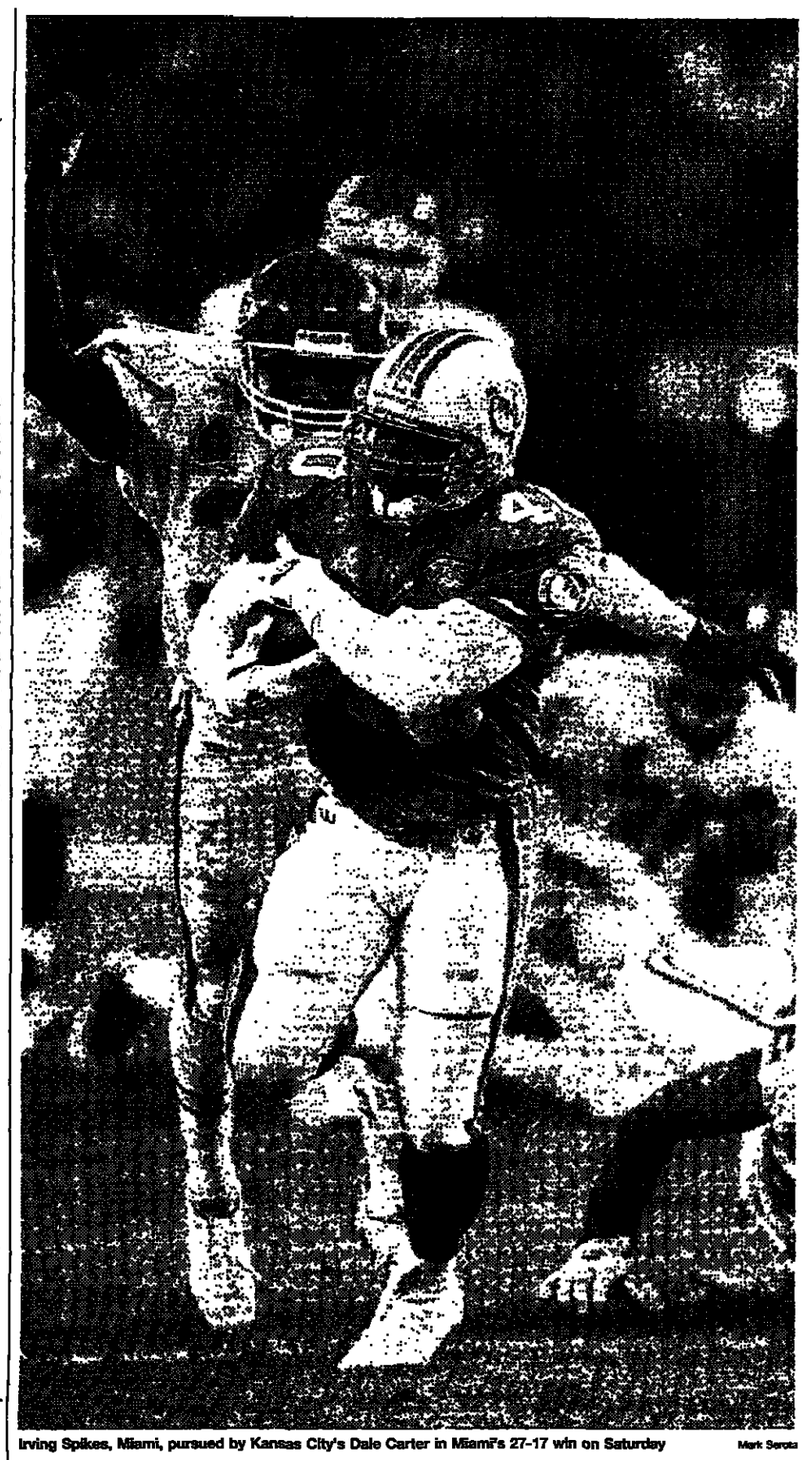
Gwent clubs, mostly based in relatively small, economically struggling communities, are ill-equipped to compete with city clubs such as Swansea or Cardiff for players. There is furious trading within the county as several evenly-matched and desperate rivals wrestle for talent – John Perkins, chairman of Pontypool, says four times *as many players change clubs,* than in the rest of Wales.

Perkins accepts that Gwent clubs may have been slow to adapt, but warns: "We will do whatever we have to do to adapt."

At the moment that means developing youth squads. Pontypool have a prize exhibit in centre Mark Taylor, who came through their youth teams, who won his first Welsh cap last November against South Africa. David Watkins, chairman of Newport, points to a three to four-year development plan.

The difficulty is that they have to survive at first division level to retain their best young players.

While they wait for youngsters to develop, short-term survival needs may dictate aggressive recruitment, exacerbating the destabilising player market. It is a difficult balancing act important to the future of Welsh – and by implication British – rugby.



Irving Spikes, Miami, pursued by Kansas City's Dale Carter in Miami's 27-17 win on Saturday — Mark Sarota

American Football / **Jurek Martin**

The road to the super showdown

The calendar, which is not supposed to lie, says the Super Bowl will be played in Miami on Sunday, January 29. But all the pundits are convinced that the game between the two best teams will be played two weeks earlier in San Francisco when the home-town 49ers take on the defending two-time champions, the Dallas Cowboys, for the NFL's National Conference title. The winner, it is assumed, will then devour whatever sacrificial lamb the American Conference throws up, of which it can only be said, with blessed relief, that it will not be the Buffalo *Bills for the fifth year in a row.*

There are two minor caveats to the universal scenario. First, San Francisco and Dallas must beat the Chicago Bears and the Green Bay Packers respectively today and tomorrow for their appointment with each other to take place. Second, you never can tell with the inferior division. Dan Marino, still throwing footballs for the Miami Dolphins, is one threat, although his team is no certainty to beat the San Diego Chargers tomorrow. Another threat are the Pittsburgh Steelers, if their defence continues to play out of its socks against the Cleveland Browns today in the ultimate blue collar match-up.

But the 49ers (13-3) and the Cowboys (12-4) are football's aristocrats. They met once, in mid-season, with San Francisco winning a fine, close game 21-14. It was a testament to the Dallas defence to surrender only three scores – for once San Francisco had recovered from early injuries to its offensive line, it only scored fewer than 30 points twice in its last 12 games. The other occasion was the meaningless final game of the season when its star players sat down.

And what stars. There is no more flamboyant player in football than Deion Sanders, the cornerback acquired from Atlanta's football and baseball teams; no more refined pleasure in the game exists than the sight of Steve Young tossing the ball to Jerry Rice. Young easily won the title for quarterback efficiency for the third consecutive year and has thrown more touchdowns to Rice than did Joe Montana (and let it be said, in passing, that Montana, at 38 and with the Kansas City Chiefs, is still no slouch, as he showed in two marvellous performances against John Elway and the Denver Broncos and in last weekend's defeat by Marino's Dolphins).

But no player has sustained unsurpassed excellence for as long as Rice. This modest pundit used to think that Lynn Swann of the 1970s Steelers was the *ne plus ultra* of receivers against some pretty tough competition, but that nod now goes to the rail-thin, 6ft 2in, 195lb, 10-year veteran and graduate of an obscure college in Mississippi.

> Jerry Rice is so intense that he hardly talks to his wife for the three days before a game

It is not merely that he has the record books at his mercy – already with more touchdowns (138) than anybody who ever played the game – but the complete way he goes about his business. He catches balls slanting into the middle of the field in heavy defensive traffic, on little roll-outs to the flank and on deep runs with the defence gasping in his wake. No receiver consistently makes more ground after the catch than Rice. Others may be fleeter or able to leap higher (Michael Irvin of the Cowboys, for one) but none do so Sunday-in and Sunday-out, as Rice does. He is a modest chap, too, by most accounts, so intense he does not even talk much to his wife for the three days before a game.

There is a lot more to the San Francisco offence than Young-to-Rice. John Taylor and Brent Jones can catch and Ricky Watters and the rookie William Floyd (full-back successor to old Tom Rathman) can run. A defence bought on the free-agent market with scant regard to such concepts as the team salary cap does give up points and yards on the ground, but it makes big plays. Throwing in the direction of Sanders and Merton Hanks, the safety, is risky.

Dallas has known more uncertainty this year. Barry *Switzer, brought in to succeed* Jerry Johnson as coach, seems to have made the adjustment from the college game well enough. But if he had failed to, with the talented team he took over, he would be back in Oklahoma by now. But both Troy Aikman, the quarterback, and Emmitt Smith have been crocked from time to time.

Debating who is the best running back is as pointless as questioning the choice of Rice as pre-eminent receiver; Smith stands alone. It is inconceivable, even if he were playing against a 50-man defence, that he would have allowed himself to be held to minus yardage, as happened to Barry Sanders of Detroit, who had more than 1,800 running yards on the regular season, against Green Bay last weekend. Dallas also has a great defence, tougher and probably meaner than San Francisco's.

There is just the suspicion, however, that if both are healthy and both play at their best the 49ers have more gold in the bank: and if they then go on to win in Miami, then Young, at least, will have got one quarter of Montana's Super Bowl monkey off his back. And if the universal scenario does not come to pass, then moral and aesthetic justice will only be served by victory for the golden arm and battered legs of Dan Marino.

Tennis / **John Barrett**

A pair of aces on court

With two Grand Slam titles apiece, the American Pete Sampras and Arantxa Sanchez Vicario of Spain, both aged 24, head my rankings for 1994.

Sampras retains his position in spite of injuries which prevented him from preparing properly for the defence of his US Open title. His third-round loss at Flushing Meadow to Jaime Yzaga was the only serious blemish on an otherwise outstanding year which brought him a first win in Australia, plus a second successive Wimbledon crown, and ended on a high note at the IBM/ATP Tour Championship in Frankfurt where he won for the second time. Altogether Sampras claimed 10 titles, three more than anyone else, and earned prize money of $4.86m. (£3.1m) itself a record.

At No. 2 is Andre Agassi. For the Las Vegas showman 1994 was a year of resurgence. Returning to competition in February, after undergoing surgery in December on the wrist that had ruined his 1993 performances and reduced his ranking to 32, Agassi won his comeback tournament in Scottsdale. After another success in Toronto, Agassi lifted his game further at the US Open where he won his national title at last after failing in the 1990 final. A spectacular finish to the year brought two more titles – in Vienna and Paris – before Sampras brought his run to an end in the semi-final of the IBM/ATP Tour Championship in Frankfurt.

Sergi Bruguera, the cultured Spaniard, successfully defended his French Open title, reached the last 16 at Wimbledon and the US Open, won in Gstaad and Prague and reached three other finals. He moves up one place to No. 3.

This is the position occupied by Boris Becker on the ATP Tour ranking list, once again revealing the inadequacies of the system. The ATP counts only the best 14 results for each player and gives insufficient weight to the grand slam tournaments. Becker failed to win one of the slams. He reached the semis at Wimbledon but lost in the first round of both the French and US Opens. He did win four of the six minor finals he contested and finished the year strongly as a finalist in Frankfurt, but Bruguera had a better year.

Even more poorly treated by the ATP computer is Todd Martin. He is placed at No. 10 even though he is clearly the fifth best player in the world. Martin reached the final in Australia, the semis both at Wimbledon and the US Open and the third round in Paris, and won two tournaments.

Goran Ivanisevic, the Wimbledon finalist, is at No. 6 after a much more solid season in which, like Martin, he won two tournaments. Ivanisevic was also a quarter-finalist in Melbourne and reached the fourth round in Paris, performances which keep him ahead of Michael Chang who had his best season to date with six wins but could not produce the goods in the slams.

Even though he did reach the US Open final, Michael Stich drops from No. 3 to No. 8 after losing in the first round in Australia and at Wimbledon. Stefan Edberg also had a disappointing year. He failed to reach a grand slam final for the first time since 1986, but he did help Sweden to win the Davis Cup for the fifth time.

JOHN BARRETT'S 1994 WORLD RANKINGS
(last year's position in brackets)

Rank	MEN		WOMEN	
1	Pete Sampras	(1)	Aranxa Sanchez Vicario	(3)
2	Andre Agassi	(-)	Steffi Graf	(1)
3	Sergi Bruguera	(4)	Conchita Martinez	(4)
4	Boris Becker	(-)	Mary Pierce	(-)
5	Todd Martin	(-)	Jana Novotna	(6)
6	Goran Ivanisevic	(8)	Gabriela Sabatini	(7)
7	Michael Chang	(7)	Lindsay Davenport	(-)
8	Michael Stich	(3)	Martina Navratilova	(5)
9	Stefan Edberg	(5)	Kimiko Date	(-)
10=	Alberto Berasategui	(-)	Natalia Zvereva	(-)
=	Magnus Larsson	(-)		

Two newcomers are Alberto Berasategui of Spain who played the computer game and won seven titles, all on clay, and Magnus Larsson who was another member of the successful Swedish Davis Cup team. Larsson then travelled straight from Moscow to Munich and beat Edberg, Agassi, Martin and Sampras to win the Grand Slam Cup with its first prize of $1.5m.

By placing Steffi Graf at No.1 on their ranking list ahead of Sanchez Vicario, the WTA tour reveals the shortcomings of its system. Although the German beat her Spanish rival comprehensively in the Australian final she lost to her in the title match at Flushing Meadow and was twice beaten in mid-season after holding match points. Both had catastrophic first round losses – Graf at Wimbledon and Sanchez Vicario at the Virginia Slims Championships – but the Spaniard won eight tournaments to Graf's seven and led Spain to victory in the Federation Cup.

Conchita Martinez is No. 3. *Apart from winning Wimbledon* she was a semi-finalist in Paris, a quarter-finalist in Melbourne and contributed significantly to that Federation Cup success.

Mary Pierce, the US-based French No. 1, earned her place at No. 4 by beating Graf in Paris on the way to her first Grand Slam final and then beating her again in the Virginia Slims Championships. Few people beat Graf. Fewer still manage it twice in a season. Jana Novotna did not, though she did win three tournaments and reached the last eight at two of the slams to earn fifth place.

How nice to see Gabriela Sabatini back in form, albeit rather late in the day. Her Virginia Slims victory last November was her first tournament success since the 1992 Italian Open. Her final round opponent there, Lindsay Davenport, a powerful young American, comes into the list for the first time at No. 7 and has the potential to rise much higher.

If Martina Navratilova had somehow managed to win that Wimbledon final, I would be congratulating her on finishing her career as the world's No. 4 instead of No. 8. In saying farewell to the game's greatest *ever female champion we must* all be thankful that she has decided to quit while still playing within 70 per cent of her best.

Motoring

Slow down in '95 and go faster

Stuart Marshall looks at what the new year will bring

What does 1995 hold for the British motorist? The introduction of variable speed limits on heavily used motorways for one. And for another, the opening shots of what could develop into a battle royal in the lifestyle market between on-off road four-wheel drives and multi-purpose vehicles.

The first trial of motorway speed limits that are reduced as traffic density rises will be on the south-west section of the M25. This is the stretch where thousands of us, creeping along in fits and starts, look at our watches and wonder if we are going to catch the flight after all.

Under a pilot scheme announced last month, signals displaying mandatory speed limits will be installed on motorway gantries and on approach slip roads. These limits will be set automatically by sensors monitoring traffic flow. When it thickens, the limit will first go down from 70mph (113kph) to 60mph (97kmh) and then, if necessary, to 50mph (80kph). Drivers who think the lower limits are only for other people will find their cars being photographed by radar-triggered cameras. Police prosecutions will follow.

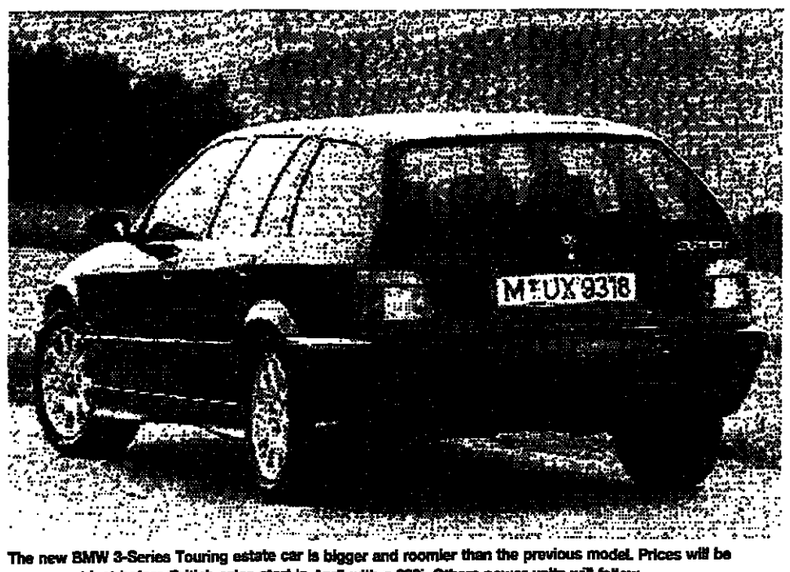
The idea is to eliminate the bunching that is so time consuming and stressful on rush-hour motorways. All M25 users know how traffic that has been moving at 70mph or more can grind to a sudden halt, only to restart seconds later. After a minute or two the whole thing is repeated. It is an inefficient use of road space. At best, it makes drivers hog what they think are the best lanes; at worst, it leads to multiple shunts.

Will it work? According to the Department of Transport, continental experience says it will. Slower moving but evenly flowing traffic stands a greater chance of getting through peak periods without hold ups than a mass of cars being driven on accelerator and brake.

While the ministry is at it, a tougher line could well be taken with drivers who cause bunching at the start of 50mph limited contra-flows where the number of traffic lanes are reduced by roadworks. They ignore the countdown signs at 800, 600, 400 and 200 yards. Only when they are almost running into the cones do they barge their way in, interrupting the traffic stream.

In spite of anti-motoring stirrings in progressive circles people will want to buy cars in 1995 as much as ever before. They are, like it or not, the only viable form of transport for 90 per cent of all journeys. There will be a lot of new ones to choose from this year.

Among the first to be introduced will be Ford's new Escort, BMW's eagerly awaited touring version of the 3-Series, the Honda Civic five-door and a diesel-engined Rover 600. Later will come a sporting trio – Fiat's highly individual Coupé, an Alfa Romeo Spider and an exciting looking roadster which will be the first really new MG for years.

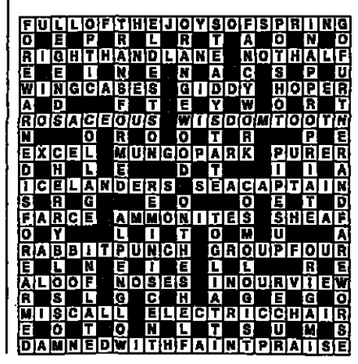


The new BMW 3-Series Touring estate car is bigger and roomier than the previous model. Prices will be announced just before British sales start in April with a 320i. Others power units will follow

But the most interesting class of new cars will be the multi-purpose vehicles or people carriers. This niche has been almost monopolised for 10 years by the Renault Espace, with moderate competition from the VW Caravelle, Toyota Previa and Nissan Serena. By mid-year, in time for N-registrations, it will have been blown wide open. The contenders will be the Ford Galaxie and a jointly developed VW clone; the Honda Odyssey; and almost identical triplets with Citroën, Fiat and Peugeot badges. These, too, are the fruits of co-operation, in this case between Fiat and PSA (Peugeot-Citroën). A fourth, badged as a Lancia, will not be sold in Britain.

Where will MPV buyers come from? The answer depends on who you listen to. Volvo, which more or less monopolises the large estate car market, says many will be former owners of on-off road 4x4s such as the Discovery and Shogun. Land Rover and Mitsubishi have none of this. They say high-slung 4x4 sales will not fall over a cliff and that the large estate sector will suffer. We shall see.

CHRISTMAS CROSSWORD SOLUTION



WINNERS

T.W. Collins, Sidcup, Kent

D.L. Andrewes, Bridport, Dorset

J.E. Kohler, Stratton, Gloucestershire

Clair Nicholls, Lostwithiel, Cornwall

Mrs M.A. Powell, Colchester, Essex

N.J. Train, London SW14

Property

The coral pleasure palaces of Barbados

Gerald Cadogan counts the Caribbean's blessings – Anglicanism, cricket, sunshine and no bugs

The Caribbean west coast, lined with glorious beaches, is a gold coast of sybaritic private villas, expensive hotels of great luxury, excellent restaurants and gorgeous tropical gardens

The beaches of Barbados are crisp coral sand fringed by palms and mahogany trees, and the sea a pure, pale blue. Houses are built in coralstone, which is like a crumbly honey-coloured limestone.

Drinking water comes from the tropical rain which has soaked through the coral to the aquifers below. It is delicious.

This pear-shaped dream island, only 21 miles long and 14 wide, has low hills running down the middle. On the east side, the island faces the cooling Atlantic trade winds. The higher ground is still covered by the sugar plantations which made the island rich soon after the British claimed it in 1625.

The Caribbean west coast (the lee side), lined with glorious beaches, is a gold coast of sybaritic private villas, expensive hotels of great luxury, excellent restaurants and gorgeous tropical gardens.

The British are the main foreign owners, liking the comfort and British feel of an island that the French and Spanish never took. Cricket and Anglicanism flourish, and many Bajans (Barbadians) have relations in the UK. The figure of Nelson in Trafalgar Square, Bridgetown, was put up 27 years before Nelson in Trafalgar Square, London. And, as Bajans love telling you, parliament began in 1639, anticipating the US by more than a century in such independence.

Crime is low, literacy high and the Bajans friendly and welcoming. Many have the names of former English slave owners, if they are not their descendants.

On emancipation in 1834 the slaves moved to the west coast which was useless for growing sugar. They lived in frame cottages set on coral piles known as "chattel houses" because they could be moved like chattels (*not* because the slaves had been chattels).

On the Bridgetown-Speightstown road along this coast there are still chattelhouses, as well as luxurious villas. One or two villas date from before the second world war but most are later, when Barbados attracted the famous and the rich escaping taxes. They continue to come. Aircraft are full. In winter, Concorde flies from London and also from New York.

For those who buy a villa, or rent one for up to $20,000 (£12,800) a week, which includes the staff but not food and drink, Barbados is an expensive dream come true. Rents reduce sharply in summer, but that may lessen as the season starts to be year-round.

The stage designer Oliver Messel designed several of the best villas, adorning them with *trompe l'oeil* Barbados scenes. Local architects Ian Morrison and Larry Warren carry on his tradition, both are now designing houses for the Royal Westmoreland project.

These coral stone pleasure palaces are built for a constant temperature in the balmy 80s. Bedrooms may have air conditioning, but it is not needed in the reception rooms which are like large verandahs with one, two or three sides open to the air. The rooms merge into the garden and give these houses an indolent restfulness, without the interference of mosquito screens. Unlike the US, Barbados is mercifully short on biting bugs. Beaches are public, but gardens ideally have their own access.

If you have the money, it is easy to rent a villa, although regular tenants may have booked Thanksgiving and Christmas years ahead. Buying is harder. Houses beside the beach are in very short supply, and prices are ethereal.

A few minutes inland, there are some houses for sale on the Sandy Lane golf course. Fortunately, the houses now being built on the grand Royal Westmoreland golf course, which opened three weeks ago, will allow many more people to buy their dreams, whether or not they play golf.

When a house between the west coast road and the sea does come on the market, the owners can usually afford to wait for their price. I heard of only one Lloyd's-related sale.

The pick of property now on offer must be Maddox, Messel's own exquisite house. It could be a Glyndebourne set, with fine trees and an almost private beach – an outcrop of rocks conveniently cuts it off from the long beach beyond. It also has a typical Messel feature: open-air stairs to the first floor. Why fuss about getting wet in the tropical warmth? The price is $3.5m from Realtors.

Messel also designed Leamington, near the beach ($1.25m, Realtors), and Fustic, set in 12 acres in the hills above Speightstown, which has a swimming pool carved out of the coralstone as if it were a natural pool ($2.2m, Realtors).

The alternative is to buy at Sandy Lane or Royal Westmoreland. Sandy Lane was the idea of Sir Ronald Tree, who founded the Barbados National Trust. The estate straddles the coast road.

The Sandy Lane Hotel, a flagship of the Forte chain, and some superb houses are on the sea side. Jane's Harbour, which has Messel murals, can be rented for $18,000 a week in winter or $9,000 in summer (through Jennifer Alleyne).

On the land side are more fine houses on the golf course. The Moorish-style Dar es Salaam costs $3.2m (Jennifer Alleyne), while the Sharon Rose is a more modest $550,000 (Realtors). And there are still building lots for sale from $100,000 to $175,000 (Alleyne, Aguilar & Altman).

Sandy Lane gives an idea of how Royal Westmoreland will be when it is complete. There will be 350 houses on a 490-acre hilly estate that used to grow sugar. Robert Trent Jones Jr has designed a superb, rolling, golf course which is bound to host championships soon – and will improve all Caribbean golfing. Sugar cane still grows beside the fairway, and Trent Jones has cunningly made a natural amphi-theatre of a green among the old coralstone quarries.

It is a bold scheme that will make a big difference to the market for holidays and houses, and to the island economy. That is why the government has waived duties on imported furnishings and building materials and the usual 10 per cent levy that foreigners pay on buying property.

Properties for sale range from two and three-bedroom attached houses, priced initially at $350,000-$415,000, to luxury detached villas for between $580,000 and $1m. Or you can buy a plot to build a still more expensive house – these are selling fast – or a flat in a "plantation home" at $435,000-$535,000.

All houses have views over the course down to the sea. To join the club will cost residents $17,000 plus $3,600 annual dues, and the property owners' association will cost a further $3,600 (for security, dustbins and estate maintenance).

But if your dream is an old plantation house, Holders near Sandy Lane is set in 12 acres and has a flamboyant Georgian dividing staircase. The price? It is yours for $4m, furnished (Realtors).

When in Barbados, leave time for visiting the plantation houses, churches, gardens and Codrington College, as well as playing golf, swimming, water-skiing and loafing. And have a look in the telephone directory. It holds surprises. I found two columns of Cadogans. What is the story behind them?

■ *Properties in Barbados, for sale or rent, often appear on the lists of several agents. One will be the lead agent, but the others can help (and will share commission with the lead firm). Among the main agents are Alleyne, Aguilar & Altman (001-809 432 0840), Jennifer Alleyne (001-809-432 1159) and Realtors (001-809 432 6930). In London, Smiths Gore (0171-222 4054) keeps a comprehensive list. For Royal Westmoreland call 001-809 422 4653; for the Barbados National Trust, 001-809 426 2421.*

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Country View

How roast swan could save the countryside

Michael Wigan on the problems caused by a population upsurge

A lamentation of swans

Robert Harding Picture Library

Mute swans, the common swans of the canals, rivers and park lakes of lowland Britain, were in serious decline until eight years ago when the Control of Pollution Act banned the use of lead weights by coarse anglers.

Until then, swans had been ingesting increasing quantities of lead pellets along with the grit they need to help with their digestion. Absorbed into their bloodstream, the lead caused the deaths of many of these creatures.

However, as Chris Mead from the British Trust for Ornithology points out, since 1987 there has been a welcome increase in the swan population as numbers begin to recover.

But not everyone is enthusiastic. On trout streams in southern England, swan numbers, far from falling, have been increasing – even at the height of the decline elsewhere.

The success story for the rest of the country is seen to be a disaster along rivers such as Wiltshire's Wylye by some farmers and fishermen.

The Wylye provides an ideal habitat for swans and attracts large groups of sub-adults. Mute swans only breed when they are about four or five years old and, until then, they hang around in gangs like groups of unruly teenagers.

Flocks of 100 or more congregate to feed on grass and cereals, damage crops with their broad webbed feet and foul grazing with their droppings during the winter.

During the summer, they eat significant quantities of water crowfoot, a weed, and, without its cover, the river's invertebrate fauna declines and fish disappear.

It also provides stability for the river bed. The situation has become so serious that scientists and other experts have been researching the situation on the Wylye. Their findings were reported in the *International Journal of Pest Management*.

They concentrated mainly on the effects on agriculture. For instance, it was discovered that mute swans preferred improved and reseeded fields rather than the rough grazing of abandoned water meadows.

Modern farming practices have clearly improved the habitat for swans and are probably adding to the problems on the Wylye.

Swan grazing has led to average losses of grassland yield of more than 11 per cent, causing farmers to delay turning out ewes and requiring the provision of additional supplementary feed for the animals.

In their paper, the scientists suggest a number of ways of overcoming the difficulties

Many are aimed at the swans directly and include scarers, tapes suspended over the fields, and chemical repellants sprayed on the grass. Some of these methods have achieved good results with geese but have not been tried with swans. However, without the provision of alternative feeding areas, it is thought the swans would merely move elsewhere in the locality.

A better solution seems to be growing crops such as linseed which appear to be unpalatable to the birds. The replacement of grass by linseed was tried in part of the study area in 1992 and led to a local reduction in swan numbers.

But even this suggestion is not as simple as it first appears. Many riverside fields are suitable only for grass and the growing of more exotic crops may not fit in with the agricultural practices of the farmers involved.

Graham Lightfoot, of the National Rivers Authority, says this is a long-standing problem which is getting worse as the swan population increases.

He advocates a greener alternative than those suggested above.

Breeding pairs of swans each hold a territory of about 1.75km of river and will not tolerate the presence of other swans on their patch. By providing suitably located and safe breeding sites for pairs of birds, it should be possible to establish abutting territories along the length of the river which would effectively crowd out the agglomerations of sub-adult swans.

For Robin Malholland, of the Piscatorial Society, the situation is becoming increasingly serious and, he believes, can only be solved by direct intervention to manage the birds.

He points out that this was always the case when swans were a semi-domesticated table bird but, since the advent of the turkey, their populations have grown unchecked.

Indeed he sees parallels with the problems caused by the sharp increase in the numbers of Canada geese, which have been culled in some areas of the UK.

Nevertheless, he shies away from the idea of shooting swans.

Swans are protected under the provisions of the 1981 Wildlife and Countryside Act and a licence would be required from the Ministry of Agriculture for any culling operations.

The Royal Society for the Protection of Birds feels that it would be difficult to justify the granting of such a licence and the authors of the scientific paper conclude that any sort of cull would be unlikely to be publicly acceptable.

The alternative, as Robin Malholland sees it, is to carry out a programme of removing eggs, a method which has been found to work with other species in the past.

However, the authors of the pest management paper found that swan productivity on the Wylye was lower than that recorded elsewhere because of the widespread and covert removal of eggs to control clutch size.

On one 10km stretch of river, a natural clutch size of around seven eggs was reduced to just two per nest. Clearly a measure of control is already taking place.

Furthermore, as swans readily fly from place to place, egg removal will not prevent the immigration of birds from elsewhere.

While not a problem which is likely to spread countrywide, mute swans are certainly causing damage to the valuable fishing on southern trout streams.

Worse still, from a conservation point of view, they are destroying the fragile ecosystem along parts of the rivers themselves.

During an illegal cull in 1978, about 70 swans were killed on the Wylye. Unless a way is found to accommodate these birds, frustration may eventually boil over again and the aggrieved may take the law into their own hands once more.

■ *Mute Swans in the Wylye Valley: Population Dynamics and Habitat Use, by D Trump et al, published in the International Journal of Pest Management (No 40, Vol 1, pages 88-93.)*

طبق عن الأصل

Gardening

A quarter century of bloomers

After 1,300 columns, Robin Lane Fox recalls his first, on irises, and says he has learnt a lot

Twenty-five years ago on Wednesday, I wrote my first weekly gardening column for the *FT*. Deep down, I expected to be writing something, somewhere, in 1995 but I did not expect that, of the two of us, the FT would be the one to become three times fatter.

As I started, war was ruining Biafra; the FT index was mouldering around 400; the Labour government was about to become history; and the editorial feeling was that the mid-week stockbrokers needed to be brightened up with something which their wives could share at home.

No doubt they still need brightening, but perhaps not by 23-year-olds holding court on winter irises. One or two friends gave me a maximum shelf life of six months; older hands said the style was soppy. Yet, 1,300 weekly pieces have passed – so what does the first one look like?

I never keep copies, but we never forget the first time in life. In 1970, I remember thinking that I knew the little tricks about these irises; they had been sanctioned by old connoisseurs who had written about them in out-of-print books and, once, had told me some of their thinking.

So, I told you that the flower stems of winter irises should be pulled, not picked; that the plants should be moved or divided only in September; and that they liked hot dry places in stony soil. I added a flourish about Iris as the messenger of Homer's gods and attracted one letter (from the wife of a stockbroker, who said this bit was what she liked most).

The entire thing took 800 words, ending up with praises for Iris *variani* from Nazareth, which I had twice grown in pots for Christmas. The flowers were a washy grey but they smelt faintly of almonds. Alas, it had the least stamina of all of us and is now vanished from the trade.

Remembering too much, I have tried not to return to the subject since. At this distance, it makes me realise why I intend to carry on for another 25 years. In 1970, most people believed most of these little tricks and widely-repeated bits of wisdom: now, I think that most of them are wrong.

> The longer you grow and talk to others, the more you realise rules are only rules

In the past quarter-century, I have sometimes been naughty and cut flowers off a winter iris with secateurs, but none seemed any the worse for the shock. I have moved and divided plants in spring, June and November, not least when moving house and garden and having no option. The ones which were moved in September performed no better than the others.

I continue to grow my winter iris on very poor soil, usually at the foot of a wall facing south. Poor soil is probably essential to a good year's flowering, and 1994 has been one of the best. But 10 years ago, I alluded again in passing to the preference and was taken up by a reader in the west country. He sent me a photograph of dozens of winter iris, flowering behind his dustbins in semi-shade. He suggested that the hot, dry site was not essential: since then, I have experimented. On this point, too, I was wrong and he was right.

Certainly, there is a winter iris which grows and flowers well in light shade. In 1970, I did not mention it, but Iris *lazica* is widely available in today's *The Plant Finder*: it has neat leaves and well-coloured flowers and deserves patience while it settles into its routine.

The usual winter variety is Iris *unguicularis* from Algeria, where we all imagine perpetual sun and stoniness. But I have put plants in east-facing beds where they have poor soil and much less sunlight. After warm summers they, too, have flowered well, living up to a former reader's suggestions. If you have a big clump of these lovely plants, chop a bit off in spring and plant it against an east wall, testing the 1970 ground rules and disproving them yourself.

By now, I also know a bit more about the main varieties. The best were passed around by the great plantspeople of the previous generation, and what now passes under their names may well be inexact. The white form is rather dull; a pink one exists, but only in specialist stock (although 500 of you once wrote off for bits of it when I referred to its listed grower).

Graham Thomas believes that the best of all the deep violet-flower forms is one called *lindsayae*, after the plantswoman Nancy Lindsay who found it growing wild near Toulon, France. Nobody lists it nowadays, but perhaps this column will receive it as a 50th birthday present: I have seen it once, and the darker upper parts of the flower are set off by grey undersides on the bits below and reddish blotches as well.

More familiar forms are *Mary Barnard* and *Walter Butt*, both from the south-west of England. Barnard was a plantswoman from Honiton, Devon, who collected her namesake near Algiers. Its flowers are prolific and remarkably dark and it was full out in the Royal Horticultural Society's garden at Wisley early in November last year, refuting Thomas who says it flowers freely – but not until early spring.

At Wisley, its leaves are cut back hard, presumably late in summer, so that the flowers on their short stems stand free of what is otherwise a tangle of loose greenery. I rather think that I warned against this leaf-cutting, too, in 1970: it lets light into the centre of the plant but does not seem to inhibit it. Then and now, I would insist on *Mary Barnard* irises in any winter garden. My latest plants were generous pieces from Scotts of Merriott, Somerset, and are about to flower in their second year.

Walter Butt is also advertised widely, but I wonder if all the stock is true to name. The real plant has large flowers, floppy leaves, and a very pale colour which fades to lavender-white. Its supreme distinction is its strong scent – the best in the family.

Butt, too, was a great west country plantsman and one of his friends also collected this form near Algiers. Like *Mary Barnard*, it came into the safe hands of a master alpinist and plantsman, the late E.B. Anderson, in whose Gloucestershire garden I later saw true plants of both. His *Mary Barnards* seeded themselves and did not deteriorate. I often wonder if the variable colour and performance of winter irises owes less to the absence of sun than to propagation from poor seedlings, let into the trade.

You now see why I intend to go on writing. When you think you know the answer, an FT reader writes in and turns the subject upside down. Like royal families, plants acquire strange anecdotes, false tales of origins, and likes and dislikes. The longer you grow them and talk to others, the more you realise that rules are only rules.

I suppose I should say something about another winter iris called *Oxford Dwarf* which sounds like something on my doorstep. It will have to wait until 2020 because I have not yet grown it. When, no doubt, there will still be stockbrokers who need to be cheered up. Perhaps they will still have wives.

Iris Vulgaris 'Mary Barnard': essential for any winter garden, then and now — Brendan Corr

Skiing / **Bethan Hutton**

The real risk-takers on the slopes

Snowboarding? Child's play. Ski-jumping? Nothing to it. Heli-skiing? No longer just for would-be James Bonds. These days, the real risk-takers on the ski slopes are the ones without insurance.

Insurance is not yet compulsory on European ski slopes, but facing a Swiss surgeon's bill armed only with your credit card takes courage. And an American lawyer's invoice could have anyone quaking in their ski boots.

The main elements in most ski insurance policies are:

■ Medical expenses. You need at least £1m cover, including mountain rescue services, and emergency repatriation, or transfer, if local hospitals cannot cope with your injuries.

■ Personal liability. This covers you if you injure or damage other people or property. At least £1m is recommended, possibly more if you are planning a skiing holiday in the highly litigious US.

■ Cancellation and curtailment. Make sure that the maximum cover is enough for at least the full cost of your holiday. Read the small print to see exactly which eventualities are covered. This can be important for people who run their own businesses – could you claim for cancellation if your business partner became ill, for example?

■ Ski equipment and personal possessions. Are the limits too low to cover an expensive camera or pair of skis? Watch out for "set" clauses – skis, bindings and poles can be treated as a single item subject to an item limit – and large excesses. Larger items may be better covered by an all-risks extension to your household contents policy.

Tour operators always offer their own insurance. This is sometimes compulsory on discounted holidays, but may be overpriced. Cover is usually OK for novice skiers, but proficient skiers – particularly those with their own skis – should be wary of accepting the tour operator's own insurance without checking the level of cover.

You may do better to look at the wide variety of stand-alone ski policies offered by the brokers, banks, building societies and specialist travel insurers. The main point to shop around for is price, but you should also demand a copy of the small print to check the elements above.

The list of exclusions is also essential reading. Check carefully any reference to off-piste skiing, which is excluded by some of the more general policies.

Ski specialists should cover off-piste skiing, but all travel insurance contracts have a "reasonable care" provision, which means that claims arising from reckless behaviour can be rejected.

Annual insurance policies are increasingly popular. These cover as many holidays as you choose to take each year, for as little as £100 for a family.

Most include a limited amount of skiing cover – normally up to 17 days. The problem with general policies like these is that they are unlikely to provide any specialist elements of ski insurance such as "no snow" cover, mountain rescue, off-piste skiing or lost or damaged expensive ski equipment.

Some travel policies give a discount if you opt out of baggage cover because your home contents policy is sufficient. But your home insurance may not cover things such as damage to skis while they are being used, a common problem when snow cover is thin and skis hit rocks.

Two of the specialist ski insurers – London-based Douglas Cox Tyrie and Fogg Travel, of Mansfield – offer basic insurance packages with just the essential medical and personal liability cover. Douglas Cox Tyrie's version is called Mini Ski, and costs £26.50 for up to 10 days in Europe; Fogg Travel's similar Medicard-only policy costs £17.60 for up to 17 days in Europe. Skiing holidays in north America add to the expense: premiums are at least doubled for worldwide cover.

Really keen skiers lucky enough to manage several trips a year may be interested in the Flexi Ski policy from Douglas Cox Tyrie, which covers any number of trips (up to 28 days each) during the season. Comprehensive cover costs £97.50, or the medical and liability only version costs £61.50.

If you participate in any of the less conventional – and riskier – winter sports, you could try one of the brokers specialising in ski or active sports insurance, such as Crispin Speers.

Around the world with the king of skiing

Continued from Page I

US, where they are astonishingly insular (except for chapter and verse on the problems besetting the royal family) there was very little news of Britain – except during our stopover in Chicago (an American Airlines hub airport much frequented by us) where we purchased English papers by the ton for later consumption.

Our UK-based co-ordinator, the vaillant Fran Hewitt, occasionally told us of important events in Britain – "It's raining in Maidstone" or "unless you pay Pickfords they are going to throw your furniture into the street". She was also invaluable in helping me keep tabs on my favourite football team, Nottingham Forest.

We see her as a Michael Collins figure – the "forgotten" astronaut with the thankless task of staying on board Apollo 11 while Armstrong and Aldrin grabbed all the glory of being the first men on the moon.

Perhaps unsurprisingly, skiing has infiltrated our sleeping hours. I have a regular dream in which we take a chair-lift to the top of a mountain only to find it does not link with the main ski area. The other night Lucy dreamt that she was in a bizarre competition in which she had to make a chocolate mousse while skiing. The results were rather disappointing.

Apart from my four daughters – one of whom, Amber, I have not seen for more than a year and a half because she was "travelling" for a year before we left the UK – what I have missed most is our music and Lucy's cooking.

When we left, we carefully selected our dozen favourite music tapes, only to bring the rejects by mistake.

In New Zealand, after having put up with second and third-rate music (rock 'n' roll hits of the 1960s and 1970s) for nine months and 22,000 miles, we decided we could bear it no longer and bought half a dozen of our favourite tapes.

It was while in New Zealand that we heard of a rival act which rather stole our thunder of skiing every day: a local fisherman had caught a trout every day of the year. But unlike us, he did not have far to travel. He caught all 365 in Lake Taupo on North Island.

We must have consumed a few fish ourselves in the course of the year. We have eaten out for 362 evenings, the only exceptions being three nights in El Colorado, Chile, when we moved into a small self-catering apartment.

Lucy hates to miss lunch, even when I protested that we must ski. Until she has had at least a bowl of soup she is invariably "tired, cold and hungry". However, after some nourishment she skis like a powerhouse. One night in Tokyo, Lucy got hungry before dinner – so before we had dinner, we had dinner.

I have done most of the driving, which upsets Lucy. The problem is that I am not a good passenger and Lucy drives fast. At first, it was almost the reverse of our skiing – I am a little reckless on skis but a wimp behind the wheel; Lucy is an aggressive driver but more cautious on skis (though she is now much more aggressive).

In return for my doing the driving, I have allowed Lucy to do all the administration. This includes putting things back in the "right" places. Heaven help me if I put a glove, boot, pen, sock, camera, head-band, ski, lift-ticket, pair of spectacles or scarf in the wrong place. And every time I stepped out of a vehicle, the car keys were snatched from my grasp so that they could be put in "a safe place".

Lucy has also been in charge of laundry, a position she has discharged with relish. Happiness for her was a hotel with a guest laundry. In Japan, where we had to rely on the hotel laundry service, it cost considerably more to get our socks and underwear laundered than to buy the garments in the first place.

In India, Lucy was extremely reluctant to allow our hotel in Nanali to take care of our laundry in case this meant the unfortunate staff had to take our garments to the river and beat them against the rocks.

We quickly realised that taking 14 bags – plus skis – around the world was a mistake. At first we would carry everything out of the car and hump it all back again the next day, but this became tiresome, exhausting and then expensive when bellmen insisted on carrying them all in for us.

So we took to leaving the bulk of our luggage in our vehicle, carrying in only irreplaceable luggage such as our computers, some clothing and what became known rather unfairly as "the ugly bag" which contained important documents. Among these is our now treasured scrapbook which contains a lift ticket for almost every day of the year, our skiing statistics, and a daily Gary Larson "Far Side" cartoon.

As it is often impossible to remove lift tickets from a ski jacket once they have been affixed, we took to asking resorts either to let us have a pristine "extra" ticket for our collection or to allow us not to have to stick it to a "wicket", or small wire frame. In El Colorado we carried a special note from Marcelo Macaya, the director of operations, which said: "*Favor, no instacar en ganchito*" [please, don't stick on wicket], *gracias*".

Every day when I took my battered old Köhflach ski boots off the big toe on my right foot was black. This is not so sinister as it sounds. It was caused not by frostbite (though the last few weeks have certainly been cold) but by coal-dust.

While we were at Porter Heights, New Zealand, John Fairbrass, our host at the local mountain lodge, loaded a sack of coal into the back of our vehicle, where our ski boots were stored. Inevitably, half a sackful of coal-dust found its way into my ski boot. Almost three months later, my ski socks still emerge with a blackened toe after skiing.

But now it is over – our 365 consecutive days of skiing, 30 flights with American AirLines and Air New Zealand, 35,000 miles of driving in almost 20 Avis vehicles of all shapes and sizes, and more than 100,000 words on Hewlett-Packard portable computers.

I intend to throw both my ski boots away. Sorry, Snow + Rock – you provided them but they've had a good run for your money.

Lucy, on the other hand, wants to ski on for ever.

I could pretend that we have had enough, and echo the words of a disgruntled skier we overheard at Red River, New Mexico, who said after his umpteenth fall: "I ain't gonna mess with these boards no more!"

But the truth is that both of us – after a reasonable break from skiing (about 24 hours) – will doubtless continue to mess with our boards.

And what now? Back to my nine-to-five job? Fortunately, I have not had one of those since leaving TV South in 1984. And thanks to this year of madness, Lucy has no job either.

Instead, we shall sit down in the south of France at Lucy's parents' home near Marseilles and write a book about our adventures. And then return to London for a celebration drink. London may not be easy to readjust to, but it has its compensations.

And we could do with a long, hot summer.

The facts and figures

Miles skied in 1994: 3,678 (December Total: 411)
Vertical feet: 4,144,590 (December: 472,050)
Vertical miles: 785 (December: 89)
Miles driven: 33,615 (December: 3,750)
Miles flown: 74,513 (December: 613)
Mileage (all means of transport): 111,706 (December: 5,802)
Resorts visited in 1994: 237 (US: 80; Canada: 13; Austria: 32; France: 24; Switzerland: 23; Italy: 11; Germany: 1; New Zealand: 20; Australia: 12; Japan: 4; India: 1; Chile: 10; Argentina: 6)

Resorts skied in December

Colorado: Copper Mountain; Keystone; Breckenridge; Telluride; Purgatory; Wolf Creek; Crested Butte; Steamboat.
New Mexico: Taos; Santa Fe; Red River.
Utah: Snow Basin; Sundance; Park City; Deer Valley; Alta; Snowbird; Brighton; Solitude; Wolf Mountain.
Wyoming: Jackson Hole; Grand Targhee; Snow King.

Expedition sponsors

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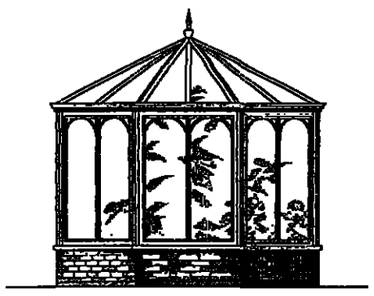

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BOOKS

Owls of Oxford

In its closing decades, the conscience of the Austro-Hungarian Empire was kept by one man, the rebarbative and formidable Karl Kraus, owner of The Torch magazine.

In a famous editorial, Kraus remarked that one can infer a person's moral character from his prose style. This is surely false – many wicked people have written like angels – but it suggests a related truth: that the character of a person's mind can be judged from his use of language. This is because language is the chief instrument of thought, and when it is employed accurately, flexibly and powerfully it enhances the thought it expresses.

It matters therefore that one should think constantly about one's use of language, and keep it in verbal trim, much as an athlete trains his body. Reading is the key, together with reflection on what one reads, and a lively curiosity about the language's possibilities. Unfortunately, too many people read little, reflect less, and have no curiosity about their native tongue. Even readers tend to be lazy about consulting dictionaries.

Here is an absorbing, instructive and amusing remedy: a book that answers some of the common (and some decidedly uncommon) questions asked by those who are curious about their language.

How many words are there in English? Should one write "privatize" or "privatise"? What is the origin of such expressions as "gay", "wally", "loo", "OK"? Why are the letters of the alphabet ordered as they are? Is there a difference between "partially" and "partly"? What is the longest English word? And even – is there a name for people who drink their own bathwater?

The queries are answered by the lexicographers of the Oxford Dictionaries. In response to the many enquiries they receive, these patient and knowledgeable folk set up the Oxford Word and Language Service – appropriately called OWLS – and this book is the distillation of their work.

One of the book's chief virtues is its non-prescriptive way of advising on language use.

QUESTIONS OF ENGLISH
edited by Jeremy Marshall and Fred Macdonald
OUP £12.99, 192 pages

Language is a protean beast, ever growing and adapting. It cannot be restrained by purists or Academicians, for a language that does not change is dead. In so various and geographically widespread a language as English there can hardly even be rules.

Accordingly, the owls of OWLS are always open-minded and sensible. Should one say "the majority of people are" or "the majority of people is"? The latter, say the owls, is strictly right, but the former is well established in practice, and therefore acceptable. "Castor sugar" or "caster sugar"? Both are right. "Do you eat soup or drink it?" Either.

But the owls are not fence-sitters. They explain origins and derivations, they explain why some of us hate the split infinitive, they distinguish and define. And from time to time they say, "here is a misconception" or "it would be more logical to say..." and they always make great good sense.

Add the fact that they do all this entertainingly, and you have a book which demands a place on the shelf next to one of their dictionaries.

Now for an answer to some of those questions. There is no word in use for a person who drinks his own bathwater, so the owls, who know their Greek, offer one: "autoloutrophilist". The longest word in English is a medical term: pneumonoultramicroscopicsilicovolcanoconiosis, 45 letters (and 11 letters longer than its nearest rival), meaning a lung disease of the silicosis variety.

The number of words in English? Well, this is trickier: it depends how you count them. The complete *Oxford English Dictionary* has about a quarter of a million full entries, about 20 per cent of which are for words now obsolete. But this takes no account of multi-word compounds, phrases, certain kinds of technical terms, scientific Latin names, and – most importantly – the multiple senses of a single word. Counting these latter, English possesses about three-quarters of a million words, about 100,000 of them obsolete.

To make sense of these numbers, one needs to know that an educated person would be expected to have an active vocabulary of about 30,000 words. To read the Sun newspaper a person requires a vocabulary of about 800.

A.C. Grayling

Evicted campesinos: "Like the old French aristocracy, Latin America's elites could not feel wealthy unless the people around them were poor." Picture by Alex Webb (Magnum)

The rich get the blame

Stephen Fidler on a story of privilege, poverty and bad timing

Latin American history is a story of opportunity lost. This is the story of how the richest part of the developing world in the 19th century turned itself into an economic backwater.

Latin America has remained a peripheral region while others, once in the same category, have advanced. The US, a peripheral country in the early 19th century, had overtaken British living standards by the end of the century. The Scandinavian countries, the former British dominions, more recently Japan and east Asia have all seen their economies transformed, despite often lacking the abundance of natural resources enjoyed by Latin America. Why did Latin America lose out?

This book, by the director of Latin American Studies at the University of London, says the answer is to be found within the region. Much of the blame must lie with Latin America's rich, its so-called elites. Like the old French aristocracy, they could not feel wealthy unless the people around them were poor. In the 19th century, they feared that the shortages of workers suffered by many countries would force them into paying higher wages. They contrived, mostly successfully – sometimes through forced labour – to keep rates down, securing most of the benefits themselves.

This, together with the uneven distribution of land inherited from colonial times, helped produce high concentrations of wealth and income still seen today. These wealth concentrations encouraged periods in which governments made deliberate efforts to redistribute wealth. Most of these "soak the rich" episodes worked in the short run but failed in the long run: Perón's Argentina, Alan García's Peru in the 1980s, and the Sandinistas' Nicaragua. "Although the Cuban experiment under Castro has endured, it is by no means certain that gains have outweighed losses."

Sometimes wealth inequalities have an advantage: they encourage savings and thereby enhance what economists call capital formation – investment in productive resources. But Latin America's elites preferred to consume rather than to save. Even today, the region's savings rate remains damagingly low in most countries, encouraging the region's continued overdependence on volatile foreign capital.

Suppressing wages also held back the growth of domestic purchasing power, and prevented the type of economic development seen in the US. By the mid-19th century, US growth no longer depended solely on exports but was being driven by a dynamic internal market.

Latin American governments have also had another problem – bad timing. It was not, suggests Bulmer-Thomas, that the model they adopted for growth at any particular time was wrong. It was that governments started too late and, invariably, held on for too long.

Thus, in the 19th and early 20th century, the economic model pursued growth through exporting raw materials to the industrialised world. In return, Latin America bought its manufactured goods from the industrialised countries: Britain and, as the 19th century progressed, increasingly from the US and Germany. Yet, as time passed, raw materials were buying less and less in manufactured goods, and Latin economies were prey to wild swings in commodity prices.

In the second phase, Latin American governments were tired of being at the whim of what Bulmer-Thomas calls the commodity lottery. Beginning in the 1930s, governments began attempts to develop their own industries behind tariff walls, in an attempt to substitute domestic manufactured products for imports. This model was most enthusiastically being applied in the decades after the second world war as pessimism about the region's ability to compete in world markets was at its height. Yet, as Latin America withdrew from the global trading arena, the world embarked on nearly three decades of unparalleled growth in international trade.

THE ECONOMIC HISTORY OF LATIN AMERICA SINCE INDEPENDENCE
by Victor Bulmer-Thomas
Cambridge £40, 420 pages

Now Bulmer-Thomas wonders whether Latin American governments, which have over the last decade unilaterally opened their economies and cut tariffs, have espoused free trade at a time when the rest of the world is moving away from it. Despite this year's adoption of a new trade round by the main trading nations, there are worrying signs that the idea of "managing" trade is gaining ground.

Bulmer-Thomas faces a difficult task in compressing his subject into 400-odd pages but does not ignore the often substantial differences between countries. For non-economists, the surfeit of acronyms and technical terms may occasionally be indigestible and the index is inadequate. But it deserves a wider audience than the students for whom this will be required reading. It would, for example, be a useful antidote to those who make their living through overenthusiastic endorsement of what are now called the "emerging markets" in New York or the City of London.

Some themes recur: the dependence on foreign capital and on a small number of commodities; the failure to spread the social benefits of export growth and the long-standing inadequacy of fiscal policy. Governments remain, mostly, unable or unwilling to impose progressive income taxes, and are left excessively dependent on regressive sales taxes.

In spite of this, some, not all, economies should emerge stronger and richer from this latest phase of development, bringing their standards of living up to the level of the poorer developed countries by the middle of the next century. But the way forward for all is far from clear. He concludes: "The countries that stumble through the incompetence, corruption or greed of their elites can expect to be severely punished. That is the warning the privileged must heed."

Fiction/**Tibor Fischer**

Hostages to fortune

Tim Parks' reissued novel *Cara Massimina* is a marvellous black comedy. It relates the adventures of Morris Duckworth, a teacher of English to oafish Italian teenagers in Verona and a would-be social climber and gold-digger, who ends up eloping with the daughter of a well-to-do local family. Imprudently, he decides to pretend to the family that Massimina ("Mimi") has not run off with him but has been kidnapped and a huge ransom is demanded.

This gives the book its engine as Morris has to go to greater and greater lengths to keep his get-rich scheme going, by avoiding the police and negotiating the kidnapper's perennial hurdle in fixing a drop-off for the ransom. He must also conceal from Mimi the fact that the whole of Italy believes she's been kidnapped.

Parks, who lives in Italy, conjures up the country with superb veracity en passant. When Morris's plans are jeopardised by television coverage of her supposed kidnap, Morris fumes: "This wasn't England where they had to dig and scrape for drama. Here they had the government dying and resurrecting itself every day and the mafia shifting more arms than the whole of the Warsaw Pact put together. So what did they want with Massimina's story?"

Morris is rumbled, by a couple of beach busybodies they meet, and finally by Mimi herself, and he is obliged to kill them all to protect himself. But it is a tribute to Parks' comic skill that the reader is behind Morris, snob and mass-murderer that he is, and that as the book closes with him clear of the police, about to go off to England with Mimi's elder sister Paola, you feel he has earned his escape.

Whether the ending of *Cara Massimina* was fortuitous or planned, *Mimi's Ghost*, Parks' new novel, finds Morris two years on, married to Paola (not entirely happily), happily settled in Italy, working in the family wine business, communicating with Mimi's ghost via mobile phone and planning to set up a hostel for the *extra-comunitari*, the African drifters at the bottom of the pile, as an act of penance for his misdeeds.

He feels set up, but the comfort of these arrangements is threatened when the matriarch of the family dies and his loathsome brother-in-law Bobo discovers evidence that links Morris with Mimi's disappearance. Confronted by Bobo, Morris hears Mimi: "Her voice was childishly urgent: 'Your party piece. Morri. That you're so good at. Do it.'"

CARA MASSIMINA
by Tim Parks
Minerva £5.99, 231 pages

MIMI'S GHOST
by Tim Parks
Secker & Warburg £14.99, 314 pages

JUDICIAL WHISPERS
by Caro Fraser
Orion £14.99, 345 pages

SHELTER
by Jayne Anne Phillips
Faber £14.99, 300 pages

So Morris rubs out Bobo. This is the fuel for *Mimi's Ghost*, which is a sort of twisted whodunnit, since we know who did it, but the interest comes from the others involved and what they've been doing, and are doing, during the police investigation. To cover his tracks Morris, under Mimi's celestial guidance, is forced to play the serial killer again. The readability of the book comes from Parks' wonderful and audacious juggling of farcical situations and the way in which Morris' earnest attempts to build a more cultured and just world lead him further and further into slaughter. Hilarious. One can only hope that Parks has enough invention left to give Morris Duckworth another outing.

Judicial Whisperings is Caro Fraser's third novel of the legal world. The plot: Leo Davies, charming, brilliant barrister, an AC/DC who wants to be a QC, decides he has to cut the boys and 'never married' tag from his life, by acquiring some striking female company. His choice: Rachel Dean, solicitor, beautiful, but repressed as a result of sexual abuse by her father. Imagine Mills and Boon teaming up with Butterworths.

Ms Fraser worked as a shipping lawyer, which will not come as a surprise to any reader of *Judicial Whisperings*. The legal minutiae are the most authentic part of the book since many of the characters rarely progress beyond types such as nobs, Sloanes, greasy Greek ship owners, dippy secretaries preyed on by gropey old farts. Leo Davies' taste for *ménages à trois* will earn him many fans, but the question of whether he gets silk or not is ultimately a question of whether a highly-paid advocate gets a little more highly paid or not. Undemanding but workmanlike read.

Jayne Anne Phillips' Shelter is a story that takes places around a West Virginia girls' camp in July 1963. Camp was like being asleep, like a long, long dream. Perhaps it is Phillips' attempt to render this mood that makes the first half of the book dangerously slow as we are introduced to the players.

The climax of the book is a showdown at a nocturnal swim at Turtle Hole between Parson, a loner with a mission, Carmody the neighbourhood psycho (and Parson's former cellmate) and four girls from the camp.

The apocalyptic style must be something to do with the Appalachian water since it has many similarities with the work of Pinckney Benedict – like Ms Phillips, a West Virginian and a graduate of the University of Iowa's Writers Program. However, if you fancy some real American apocalypse, I would recommend Benedict's awesome *Dogs of God*.

Kitsch and synth

There is something gloriously futile in Joseph Lanza's determination to yank background music into the foreground.

Although *Elevator Music* comes with the ironic subtitle *A Surreal History of Muzak, Easy-Listening and Other Moodsong*, Lanza's tongue is nowhere near his cheek.

Instead, it is wrapped around a mixture of sociobabble and technospeak which seeks to prove the enticing but ultimately absurd thesis that "Mood music is perhaps the 20th century's most authentic music, tailored exclusively for the electronic revolution." As with the first artist who exhibited a blank canvas to expose the bankruptcy of artistic value judgments, you have to applaud the audacity of his argument.

With much skill and some tinkering, Lanza assembles an impressive matrix which links Satie to Mantovani, Brian Eno to Enoch Light and the Light Brigade, and which ties film scores, advertising jingles, techno and New Age ambient burbles to the tinny instrumentals that speed up the turnover of fast-food joints. His reasoning is impressive and scholarly, but unconvincing.

In spite of his recurrent appeals for its acceptance as a phenomenon of artistic and social importance, the fact remains that elevator music is the kingdom of the bland. Background music was never designed to be listened to, much less written about in this earnest manner. Lanza's closing vision, which repackages Aldous Huxley's dystopian *Brave New World* as a Disney-themed, mall-shopping, mind-numbing utopia with a constant soundtrack by the Mystic Moods Orchestra, is horrific.

ELEVATOR MUSIC: A SURREAL HISTORY OF MUZAK, EASY LISTENING AND OTHER MOODSONG
by Joseph Lanza
Quartet Books £10, 280 pages

I suspect there is some juggling of artistic values going on here. As Lanza quips in an early aside, "CHIC is KITSCH spelled backward", and a meticulous study of the aural popcorn that is elevator music must have seemed like a masterstroke of post-modernist criticism. But such modish reappraisals usually rely heavily on irony: as in, say, Sign and Symbol in Beavis and Butt-Head. Lanza does not.

When he records the definition given by WNYC Radio's Jerry Nutter of the genre Space Age Bachelor-Pad Music – "Imagine what George Jetson would be like if he hadn't married Jane: 'Rubba-rubba!'" – he is almost funereally earnest. If this book is a joke, it is a deadpan one with no punchline.

The central chapters on the purveyors of the instrumental pap that the US corporation Muzak piped into restaurants and workplaces are strained – who really needs to appreciate the subtle differences in the aural purees served up by Percy Faith and Ray Conniff? Chapters on the predecessors and antecedents of these maestros stretch the credulity.

Although it may be a must for musical anoraks, most readers will enjoy Lanza's book only for its incidental detail: the court cases that insisted piped music was an infringement of civil liberties; the allegations that, although Muzak and other purveyors of pipe-drones refute accusations of mind-control, elevator music can mess up your head; and the queasy revelation of Keith Richards's interest in easy-listening. The rest, appropriately enough, fades into the background.

Nick Curtis

Just hold on to your taste buds

Philippa Davenport finds some worthwhile cookery books to stir jaded palates

As January gets underway, thoughts turn to summer. Travel brochures stir wanderlust in the adventurous and food books act as keenly on the greedy.

Perennial Italophiles need look no further than *Pleasures of the Italian Table* (Viking, £14) by Burton Anderson, an American journalist and wine writer now living in Italy. His latest offering takes the form of a dozen essays, each one a leisurely, inquiring look at a key food and its artisan producers: pizza, risotto, espresso, culatello, olive oil, Parmigiano-Reggiano, white truffles and more. The result is immensely readable: an informative and quietly passionate portrait of the people and their foods.

Dordogne Gastronomique by Vicky Jones (Conran Octopus, £16.99) is the latest in a series on regional France – and the best. The photography here is less effusive than before and Jones writes with pleasing restraint. Knowledgeably and affectionately, she conveys a strong sense of history, place and the resourcefulness of local cooks.

There are homely recipes, and some from chefs, using walnuts, chestnuts, prunes, truffles, goose, duck, pike and other produce of the region – plus listings of recommended restaurants, markets, food and wine producers and other places of interest.

Marie Pierre Moine's *Secrets of French Home Cooking* (Conran Octopus, £16.99) is a winning concept carried out well. Here is a good French cook who has lived in this country for many years – who better to show us how to cook *cuisine bourgeoise* as authentically as it can be recreated in Britain.

In the main, the recipes are time-honoured favourites. The menu of mouclade, chou farci and tarte Tatin that I sampled from the book was as comfortingly delicious as you could hope for. But, unlike some of her compatriots, Moine does not believe in culinary tablets of stone and is not afraid to give classic recipes the occasional lively tweak of her own. Practical and spirited, this primer deserves to make Moine a household name.

Nigel Slater is a speed merchant *par excellence*. *The Thirty-Minute Cook* (Michael Joseph, £16.99) is his third – and he says last – on fast food. The first two were rooted in Europe. This one is an eclectic tour of farther flung flavours.

Thailand, Morocco, India and China jostle for space. The whiff of kaffir lime leaves, cumin and ginger wafts from pages that are peppered with (often irreverent) wit and spill over with greedy ideas for spiced-up supper, not dinner-party, fare. Formality is not Slater's scene. He is a very relaxed and relaxing kitchen companion – and I can think of no-one more likely to coax timid cooks into a spirit of culinary adventure.

Annie Bell's approach is much more composed. Her dazzling first book was not entirely fishless or meatless. *Evergreen* (Bantam, £16.99) is strictly vegetarian. It excites me less but her distinctive hallmarks are still there: a lovely lightness of touch and an imaginative balancing of ingredients. May this feeling for delicacy spread far and wide breathing fresh hope into the vegetarian movement.

Coffee: a connoisseur's companion by Claudia Roden (Pavilion, £9.99) is a re-issue of a fascinating little book first published in 1977. Considerably updated and attractively illustrated, it is scholarly, entertaining and practical, and beautifully researched and written – as is everything Roden does.

The main part of the book covers the history of coffee and coffee houses, growing, roasting, and a tasting guide to beans from all round the coffee-growing world. It ends with methods of making the perfect cup of coffee and recipes for desserts and cakes.

If I could keep only one of this year's cookbooks it would be Simon Hopkinson's *Roast Chicken & Other Stories* (Ebury, £17.99). No competition. Hopkinson is, of course, chef and co-owner of London's highly praised Bibendum restaurant. But this is not a chef's book. It is a cook's book.

It celebrates the pleasures of good, honest food not exhibitionist flights of fancy. Hopkinson's taste is for dishes that are simple, made with unerring precision and handsomely served without fuss. His food is the sort of food I want to eat most. Just reading the chapter headings makes me feel hungry (anchovy, aubergine, ceps, chicken, chocolate, cod, coriander and crab, to dip briefly through A to C). The recipes themselves send me salivating into the kitchen.

He is generous in praising those who have influenced him and it was an inspired decision to enlist Lindsey Bareham to check the recipes for reader friendliness.

Finally, to *Harvest of the Cold Months: a social history of ice and ices* (Michael Joseph, £20), the scholarly work which Elizabeth David had been writing on and off for many years before she died in 1992. Put together with loving care by her literary executor, Jill Norman, it contains some fascinating information. But it is not vintage Elizabeth David, alas.

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ARTS

Anniversary time in the fairest isle

Opera in Britain will have a local flavour, says Richard Fairman

Forget Górecki and Pavarotti, forget singing monks from Spain and all those composers with unpronounceable foreign names. 1995 is going to be the year of British music. In every corner of the country orchestras and opera companies are preparing to play music from the land so memorably hymned by Purcell as the "fairest isle".

This is not a marketing man's invention. As a result of various birthdays and anniversaries coinciding, the year more or less picked itself. It really could not have worked out better if somebody had planned it from the start: the two great eras of British music (the 17th and the 20th centuries) are equally represented and the 100th birthday of the nation's largest music festival forms a splendid centerpiece.

The first important date started the year. On January 2, Sir Michael Tippett celebrated his 90th birthday. While many composers would have been glad to have reached such an august age at all, Tippett has arrived *allegro vivace* with his faculties undimmed and, to judge from his planned schedule, there is no sign of a *rallentando* in sight. In February, English National Opera (in association with Opera North) will be mounting a new production of *King Priam* and the London Symphony Orchestra under Colin Davis will be presenting a birthday series of his music at the Barbican.

It cannot have escaped anyone's notice that 1995 is the tercentenary of the death of Henry Purcell. So enormous is the interest in marking the occasion that many people simply could not wait even for the right year, let alone the right month. There have already been major revivals of the big semi-operas and record companies have been deluging the market with recordings.

It almost seems impossible that there could be more. But no – the big events are still to come. In May the Royal Opera House plays host to William Christie and Les Arts Florissants, who will be bringing their production of *King Arthur from Paris*. Then, in October, English National Opera will be replying with its production of the other great semi-opera, *The Fairy Queen*. This is exactly how our national companies should be marking the occasion.

If they fail, there are plenty of other performers in reserve to pick up the pieces. The Guildhall School of Music is also presenting a staged *King Arthur*, conducted by Ton Koopman, in November; and The King's Consort is joining with the National Youth Music Theatre for *The Indian Queen* at the South Bank in May.

All the important stage works can be heard in concert performances by period groups at some point or other. The commemorative day itself (November 21) is to be marked by a special event at Westminster Abbey, where Purcell worked for most of his life and was buried in 1695.

In mid-summer comes another important anniversary. The BBC Promenade Concerts celebrate their centenary in 1995. After looking back over the festival's history in 1994, the plan this year is to turn to the future and present premieres by leading British composers, including Judith Weir, Oliver Knussen and - on the Last Night - Harrison Birtwistle (will The Hecklers, who disrupted his opera at Covent Garden, please start queueing for their tickets now?). The rest of the Proms season, always kept top secret, will be announced in May.

It is also the 50th anniversary of the premiere of Britten's opera, *Peter Grimes*: the Royal Opera has a special revival of its current production planned for April, with Ben Heppner in the title-role and Edward Downes conducting. In general, it promises to be a good year for British opera. Opera North starts the year by mounting a new production of Walton's *Troilus and Cressida*, which will be touring to Covent Garden, and ENO will be offering the highly-acclaimed production of Britten's *A Midsummer Night's Dream* from Aix-en-Provence in May.

For those who have no access to this music wherever it is happening live, BBC Radio 3 will be providing a door-to-door delivery service. Many of the events listed above will be relayed live, together with an Elgar series by the BBC Symphony Orchestra under Andrew Davis and the Wigmore Hall's "Britten Plus" concerts starting in September, which will include all the composer's songs.

There could only be one name for Radio 3's year-long festival of British music: it is "Fairest isle".

Genius remembered: the celebrations of the 300th anniversary of Henry Purcell's death started early

Mary Evans Picture Library

The year of Schnittke and Hindemith

Andrew Clark looks ahead to the most interesting international musical events of the coming 12 months

The precarious health of Alfred Schnittke, whose second and third operas will receive their world premieres in Vienna and Hamburg, clouds all expectations for coming months. The 60-year old Russian composer has been confined to a clinic in north Germany since June, when he suffered two strokes – weakening his already frail constitution. He is unable to speak or write, but is said to be responding slowly to treatment.

Schnittke is the most widely performed and recorded contemporary composer in Europe. This month sees the European premiere of his Seventh Symphony: Kurt Masur, who first conducted the work last February in New York, introduces it to his Gewandhaus Orchestra in Leipzig (Jan 12). In September, the Sixth Symphony will be a focal point of the Berlin Festival. Although there are no immediate plans for repeat performances of the Eighth Symphony, a recording made at the recent world premiere in Stockholm is to be released by Chandos in March.

While Schnittke has proved his genius in orchestral and chamber music, his reputation as an opera composer rests solely on *Life with an Idiot*, premiered in 1992. The coming year offers broader grounds for assessment. On the same day as *Life with an Idiot* receives its first British performance at ENO (April 1), another production opens in Bremen. This is followed by the premiere in Vienna of Schnittke's second opera, *Gesualdo*, conducted by Mstislav Rostropovich and staged by Cesare Lievi (May 26). A month later, the Hamburg State Opera unveils his third opera, *Historia von D. Johann Fausten*, conducted by Gerd Albrecht and staged by John Dew (June 22). Both scores were completed before Schnittke's latest illness.

Along with Purcell and Tippett, Hindemith should benefit most from this year's anniversary spotlight. Hindemith was born in 1895 near Frankfurt, which marks the centenary with an exhibition of his witty drawings and caricatures. In coming weeks, Hindemith's chamber music will be the focus of concert series in Paris, Zurich, Berlin, Salzburg and four Dutch cities. There will also be a festival of his viola music in Tokyo in April.

Most of Hindemith's operas get an airing: *Neues vom Tage* and *Cardillac* this month in Heidelberg and Karlsruhe, *Harmonie der Welt* in concert performances in Berlin conducted by John Mauceri for Decca's *Entartete Musik* series (May 9 and 10), and the Esa-Pekka Salonen/Peter Sellars production of *Mathis der Maler* at Covent Garden in November.

> Purcell, Tippett and Hindemith should benefit most from the anniversary spotlight

In the US, the Hindemith centenary is spearheaded by his pupil Lukas Foss at Brooklyn in April. Wolfgang Sawallisch and the Philadelphia Orchestra play all the concertos, and bring some on tour to Europe in the summer.

The US musical year opens with two important world premieres. *Simon Bolivar* is Scottish composer Thea Musgrave's eighth opera, and the fourth to be produced by Virginia Opera (Jan 20). *Harvey Milk*, written by Stewart Wallace and Michael Korie, focuses on the life and murder of San Francisco's first openly gay elected public official. It will be premiered by Houston Grand Opera (Jan 21), before moving to San Francisco and New York City Opera.

The Metropolitan Opera has *Simon Boccanegra* starring Vladimir Chernov, Placido Domingo and Cheryl Studer (Jan 19) and *Pelléas et Mélisande* staged by Jonathan Miller (March 23). At the New York Philharmonic, Leonard Slatkin conducts a Takemitsu world premiere in April.

In northern Europe, symphony orchestras and choral societies from Chemnitz to Eindhoven will mark the 50th anniversary of the end of the second world war with the work of an English composer: Britten's *War Requiem* receives an extraordinary burst of performances in the spring.

Otherwise, the most eye-catching events are the operatic rarities. The ever-resourceful Bielefeld City Theatre will stage works by Ullmann, Honegger and Krenek. Anja Silja stars in a new production of Prokofiev's *The Fiery Angel* at the Vienna Volksoper (Feb 12). The Bavarian State Opera revives Henze's *Der junge Lord* (Feb 20). At the National Theatre in Prague, controversial director Jaroslav Chundela is certain to stir Czech nationalist sensibilities with his new production of Smetana's *Libuše* in May. Zurich has a fistful of curiosities: Donizetti's *Linda di Chamounix* with Edita Gruberova (Jan 15), Schubert's *Des Teufels Lustschloss* conducted by Nikolaus Harnoncourt (Feb 21) and Giordano's *La cena delle beffe* (May 7). Hugues Gall bows out in Geneva with Gounod's *Faust* staged by Robert Carsen (April 3) and Gluck's *Orphée* starring Anne Sofie von Otter (June 12).

In Paris, the Bastille will continue in a state of limbo until Gall opens his new regime there in September with *Nabucco*. In the meantime, the Châtelet is doing its best to fill the gap: Jeffrey Tate conducts *Peter Grimes*, with Thomas Moser in the title role (March 25); Daniel Barenboim brings his Berlin company with *Fidelio*, staged by French *Wunderkind* Stéphane Braunschweig (April 19); Nicholas Hytner and Charles Mackerras join forces for *The Cunning Little Vixen* (May 29).

> Can Vidusso overcome the endemic chaos of the Teatro dell'Opera in Rome?

The Opéra-Comique explores its own rich heritage with well-cast productions of *Lakmé* (Jan 31) and *Mireille* (March 30). Pierre Boulez celebrates his 70th birthday with a series of six concerts at the Théâtre des Champs-Elysées (Jan-March).

In Italy, a prime source of interest will be whether Giorgio Vidusso, the new Sovrintendente at the Teatro dell'Opera in Rome, can overcome the company's endemic chaos and fulfil its side of a co-production deal with the Royal Opera. Covent Garden's new *Così fan tutte* travels to Rome in February, and Tim Hopkins's staging of Rimsky-Korsakov's *Golden Cockerel* originates in Rome in April. Another Royal Opera product, Elijah Moshinsky's staging of *Stiffelio*, makes its way to Milan (March 29) – Verdi's tale of a priest with an unfaithful wife has never gone down well in Italy. *Jérusalem*, Verdi's rarely-performed French version of *I Lombardi*, turns up in Turin (March 30). There are rarities by Giacomo Tritto (teacher of Spontini and Bellini) in Naples and Leoncavallo in Palermo.

This year's festivals have something to suit most tastes. Russian director Lev Dodin stages *Elektra* – his first opera production – at the Salzburg Easter Festival. The Holland Festival in June includes the premiere of Theo Loevendie's new opera about the Dutch wartime resistance. David Pountney and Stefanos Lazaridis return to Bregenz in July for a lakeside staging of *Fidelio*. Santa Fe gives the world premiere of *Modern Painters* – the first opera by American composer David Lang, about art critic John Ruskin (July 29). In Sweden, the Drottningholm Court Theatre revives *Tom Jones*, a comic opera by 18th centry French composer François-André Philidor. Savonlinna in Finland promises a new work by Aulis Salinnen.

Riccardo Muti brings his latest soprano protégée, Andrea Rost, to Salzburg this summer for *La Traviata*.

A nightmare vision

Nigel Andrews meets Wes Craven, creator of the Elm Street horror films

It had to happen. The "slasher" movie has gone intertextual. *Wes Craven's New Nightmare* is a horror film about horror film-making. Reality comments on illusion; director Craven appears as director Craven. The star is Heather Langenkamp, playing herself, who enacted the Elm Street saga's original screaming-and-dreaming heroine.

Meanwhile steel-fingered Freddie Krueger, known to millions as Old Pizza Face, is now manifest both in full horror drag and in plain clothes with no make-up as the actor who plays him, Robert Englund.

Confused? You should be. The new film puts the "ludic" back into a series that for 15 years has been becoming steadily more ludicrous: six follow-ups; six essays in tailspinning inspiration.

Yet *Nightmare 1* was – still is – a frighteningly original shocker. It is the only film since *Psycho* to have pushed the genre in a radically new direction. Hitchcock's movie showed that *grand guignol* could issue from the banal: a motel bathroom. Craven brought fear even closer. It is in our dreams; it threatens us each time we fall asleep.

Talking to me in Hollywood, Craven, 45, called his *New Nightmare* "a film about the making of the film and the making of the mythos."

Of the what?

"I thought the series was played out and I couldn't find a coherent mythology watching the other six *Nightmares*. So it seemed better to jump completely outside: using a new perspective to address questions like the effect of horror on children, the pros and cons of censorship, the therapeutic effect of horror."

So he targeted a different generation: or rather the old generation who had seen *Nightmare 1* and were now grown-up and starting families. (Langenkamp plays a mother with a dream-haunted son). Craven sees the film in part as a primer for young parents. How much horror should their children be exposed to?

For older children he has never doubted the genre's therapy value. "The audience for horror is often young and filled with all sorts of questions about what it's going to be like to be adult and accountable in this mad world they're exposed to. They have a need and a right to have that violence processed in a way that is formed and entertaining and, to the extent that it's fiction, is safe."

Today's graphic style in screen violence is for him a response to the times. "In Vietnam we were brought pictures that had happened just 10 hours before. Today there are the horrors of Bosnia. We're living in a world that's becoming increasingly visual and revelatory."

So horror traditions in cinema do not change for the worse, they just change?: in spite of the buffs who still worship Karloff and Lugosi.

"I know there are people who say that was the golden age of horror and this is the age of the barbarians. But that's an attitude that goes through all art. New forms are always upsetting. Horror deals with unfettered things from our unconscious. In the old days people externalised it. They took their inner turmoil and put it on to foreigners or strangers or monsters from a far off land: so you had Frankenstein or Dracula or King Kong, who was a paradigm of America's racial fears.

"But as the century has gone on, horror has become centred inside human beings. Americans are doing it to themselves. Freeway shootings, gang murders, it's infra-fraternal. Freddie Krueger comes out of the dreams of innocent individuals; he was intended as a paradigm for our consciousness. Until we look for violence inside ourselves, we won't find its true source."

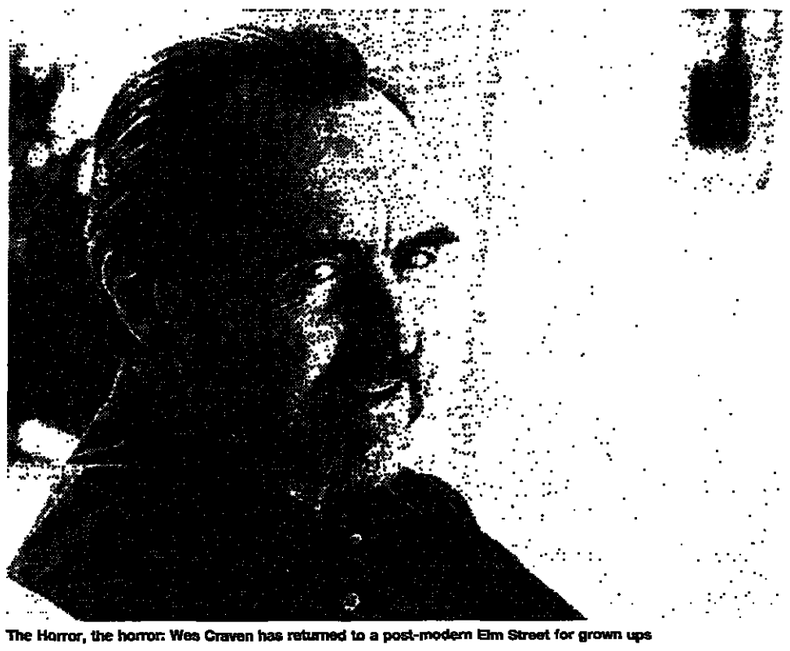
"Mythos", "paradigm", "infra-fraternal": you would think that Craven, when not spraying blood around, spends his time in academia. For a while he did: after an MA at John Hopkins he taught humanities. He got into horror films almost by accident.

"I had the original idea from a newspaper story about three unrelated Asian-American men, who after having recurring nightmares were found dead in their beds. The deaths were never explained. I turned this into my own story. I used to tell it to friends, always keeping it under one minute long but changing it, forming it. They all said it would make a good horror film."

It did, but then went on to make several bad ones. Craven had nothing to do with the sequels except as co-writer on *Nightmare III*. He claims that profitability saved a production company (New Line) from bankruptcy and allowed several young directors to cut their teeth on fail-safe projects.

Craven himself has never recut his teeth on a project half as good as the first *Nightmare*. *New Nightmare* is more interesting as a concept than a film. At present he is directing Eddie Murphy in a modern-day vampire movie, half spoof half serious, set in Brooklyn.

Great horror creators – Bram Stoker, Mary Shelley – have a habit of stopping at one creation. But Craven is not deserting the genre: "Just look at an audience coming out of a horror film. They're not beaten down or exhausted. They're terribly energetic and they're laughing and slapping each other on the back. They survived it. It was scary, fun, gross. But they survived it and came out triumphant."



The Horror, the horror: Wes Craven has returned to a post-modern Elm Street for grown ups

Chess No 1056: 1...Qe4+ 2 f3 (2 Kg1 Rg7 3 Rxf6+ Kg8 wins Q) Ch4! 3 Rxe2 Qxh3+ 4 Rh2 (4 Kg1 Bd4+) Qf1+ 5 Qg1 Qxg1+ 6 Kxg1 Bd4+ and Rxf5 with a won ending a bishop up.

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Radio / **Martin Hoyle**

England refound

That infallible barometer of reasonable opinion, Radio 4's *Feedback*, presented by my colleague Christopher Dunkley, occasionally erupts into exasperation at the BBC's apparent Americanisation. Certainly there are times when the *Book at Bedtime*, morning reading or *Woman's Hour* serial slots seem disproportionately transatlantic, never mind American pundits, celebs and academics and the whole field of popular culture. The chattering classes appear to be accomplishing on a cultural level what Margaret Thatcher attempted politically: to make us the 50-somethingth state.

All the more credit to Radio 3 for devoting 1995 to unapologetic Englishness. Henry Purcell's tercentenary, Michael Tippett's 90th birthday and sundry other celebrations have triggered a year's worth of words and music. R3 wasted no time, introducing the junket (collectively known as *Fairest Isle*) on December 30. *To Purge Melancholy* sketched in the historical background: London's quick recovery from the Great Fire.

Saturday's *Music Matters* discussed the nature of British music. An amiable Viennese composer, with the patronising tone of his *concitoyens*, used words like "common sense", "eccentricity" and "unassuming". Nicola LeFanu opined that we are musically innately conservative but can take an already established form and turn it into something new. Mozart did no better. Ken Russell said Elgar's symphonies were like novels, evoking alarming images of Russellesque nude rompings, and the session ended with appeals for lost scores by such once-known names as Ethel Scarborough or Oliphant Chuckabutty. I kid you not.

New Year's Day launched the Purcell fest proper, reminding us that England produced at least one authentic genius. *Welcome, Welcome Glorious Morn*, seen simultaneously on BBC2, prompting a run-down of the Stuarts' record as cultural patrons: good apart from James II who preferred balancing budgets to spending on the arts. We know the syndrome. *The Fairy Queen*, a post-Shakespearian extravaganza, was strongly cast. Jack Klaff and Diana Quick as Oberon and Titania emphasised the gang-warfare element of these tough fairies. A puzzling work (too many words for music-lovers, not enough of the Bard for Shakespearians), it was worth doing and made one long to see it on stage.

British music-making came out well in Radio 4's repeated *Entente Cordiale* when Vincent Meyer admitted that the French temperament militated against the team spirit that ensured London's "four or five first-class orchestras". There were plenty of cons among the pros, including the interesting statement that the French respected the British far more under the hail of Thatcherite hostility than they do in the watery sunshine of Majorite conciliation.

One of the eternal differences was touched on with the "innumerable conquests" of President Mitterand, whose infidelities are respectfully ignored by the French press and generally considered rather admirable by the public. In a New Year special Radio 4's *Mediumwave* gave a long, balanced and scrupulously fair look at the British press's coverage of the broken marriage of the Waleses.

Views on the monarchy were of less interest than views on the press. The Grub Street pack came over as a sorry crew less concerned with truth than "stories" – true, false or heavily angled. Anthony Holden's bleat of "You can't blame the messenger" will not wash. The hacks' antics ranged hilariously from sanctimonious outrage – "If I'd made 300 nuisance calls I'd be jailed," said the editor of The News of the World, evidently unaware of the accumulated pestilential value of editing The News of the World – to the superannuated royal-watcher squealing like a stuck pig at Jonathan Dimbleby's friendship with Prince Charles. Holden struck a typical note of sulky fatuity with his advice to the couple to "shut up and keep out of the press" while adding in the next breath that "the press won't leave them alone". Typical, too, is the unswerving monarchism of these reporters. After all, how else could they live?

'Experiment with an Air Pump' by Joseph Wright of Derby: the definitive haunting image of the Enlightenment

Keeping the highest company

William Packer finds British art well presented in the National Gallery's reorganised collections

The National Gallery, as national galleries go, is not especially large. Compared to the Louvre, for example, it is tiny. But size is not everything. A show at the Louvre this autumn, *D'outre-Manche – British art in French public collections*, was a revelation, but one more of French partiality than of riches. Even the vast collections of the Louvre itself could yield up not a single painting by Hogarth, and but a single Turner and an indifferent Stubbs.

By contrast, within its scope, the collection of the National Gallery is remarkable as much for its generosity as for its particular quality. Its subject is the painting of the western European tradition from the early Renaissance to the 20th century, from Duccio to Picasso.

It holds a little over 2,000 examples that together represent all the principle periods and schools. Of these about 1,100 are displayed through the galleries on the main floor, with the bulk of the remainder hung and available to the public in the reserve galleries downstairs.

The principle is that everything should be on show, except for works away on loan or under repair.

That said, the achievement of a coherent hang throughout remains some way off. The opening in 1991 of the Sainsbury Wing – absorbing the collections up to 1510 – presented the opportunity for reorganisation and slowly the work has advanced since then, with the old familiar galleries of the main building being gradually refitted.

The full 16th century sequence in the old west wing has yet to be completed. The turn of the 17th century collections, Dutch, French and Spanish, held in the 1970s north wing and in the run of grand rooms along the back of the gallery, is soon to come. And in the meantime the work in the east wing, which includes the Barry Rooms of the 1870s in their high Victorian splendour, nears completion.

Once all these rooms are open, the plan is that the relationships between the French and the Spanish, the Italian and, yes, the British schools should declare themselves in an easy sequence – Fragonard, Drouais and Chardin; Batoni, Pannini and Solimena; Hogarth, Stubbs; Canaletto, Guardi and Belloto; Gainsborough, Wright, Turner, Constable; Tiepolo; Goya – and so through to David and Delacroix, Ingres, Courbet and Delaroche, and on to Impressionism and the Moderns. The lesson thus served is that art is a continuum, and the idea that modernism represents a break with the great tradition is exposed for the lie it is.

But the National Gallery is also a British gallery, and it is no bad thing that it should celebrate British art. At the centre of this final run of galleries stands Room 34 – now called the Sackler Room in thanks for the private generosity by which it has been restored – a high and handsome space that closes off one of the gallery's prime axes. Formerly hung with Italian works, it is now given to works of the British School that are as powerful as anything in the collections.

Here are the young Turner's *Calais Pier* and *The Bridgewater Sea-piece*, two of the greatest sea-pieces ever painted, and *The Fighting Temeraire* and *Rain, Steam and Speed* besides.

Here also are Constable's *Hay Wain*, and *Stratford Mill*, and *Salisbury Cathedral*; Joseph Wright's *Experiment with an Air Pump*, that definitive, haunting image of the Enlightenment; Gainsborough's *Morning Walk*; Reynolds' *Lady Albemarle* and *General Heathfield*.

In France, Fragonard was painting delicious confections of frills and flesh, David high-minded allegory, classical and severe. in England it was Turner and the Channel Packet, Constable and the commonplace, Wright and his scientific curiosity. These are great works of art, and it is good to celebrate them in the very highest company.

■ *The National Gallery – The permanent collections: Trafalgar Square WC2*

US theatre/**Karen Fricker**

Revivals roll on into '95

Hits from Britain and musical revivals have provided the bulk of Broadway fare for the past several years, and 1995 will prove no exception. In March, Lincoln Center will present the American premiere of Stoppard's *Arcadia*, directed, as in Britain, by Trevor Nunn and featuring Blair Brown, Victor Garber, and Robert Sean Leonard. Coming to the Ethel Barrymore Theatre in April is Sean Mathias' lauded NT production of Cocteau's *Les Parents Terribles* – renamed *Indiscretions* for its American run and featuring Kathleen Turner in the Sheila Gish role.

When and if Brian Friel's latest, Molly Sweeney, will come to America is still undecided; in the meantime, producer Noel Pearson is planning a revival of Friel's 1981 masterwork *Translations*, directed by Howard Davies and featuring Brian Dennehy, Donal Donneley and, in his American stage debut, Rufus Sewell. It opens at the Booth Theatre in March. Following the Broadway success of the Diana Rigg *Medea* last season, another star-driven Almeida Theatre production is crossing the pond this year: Jonathan Kent's production of *Hamlet* starring Ralph Fiennes, which will play a limited engagement at the Belasco Theatre in May after its Hackney Empire run.

Big musicals on their way to New York this season include a revival of the 1961 Pulitzer prize-winning *How to Succeed in Business without Really Trying* featuring Matthew Broderick and directed by Des MacInuff, who masterminded the hit stage version of The Who's *Tommy*. It comes to the Richard Rodgers Theatre in March.

It is not a revival, but it is surely nostalgia-driven: the other big musical opening this season is *Smokey Joe's Cafe*, a revue of songs by Leiber and Stoller, who wrote myriad pop standards including "Hound Dog" and "Jailhouse Rock". The Jerry Zaks directed revue comes to the Virginia Theatre in February after try-outs in Chicago and Los Angeles.

The much discussed, often postponed stage version of the movie musical *Victor/Victoria*, looks like making it into town by September, marking Julie Andrews' first Broadway appearance since the early '60s. Come September, New York's golden boy director of the moment, Scott Ellis (*She Loves Me*) will stage a revival of Sondheim's *Company* at the Roundabout Theatre.

Off-Broadway highlights this year include a production of *The Merchant of Venice* with Ron Leibman (Roy Cohn in the Broadway *Angels in America*) as Shylock, coming to the Public Theatre in January. Michael Blakemore will direct a triad of short plays by Woody Allen, David Mamet, and Elaine May, billed as *Death Defying Acts*, at the Variety Arts Theatre in early 1995. Speaking of Mamet, Boston's American Repertory Theatre will present the US premiere of his *The Cryptogram* in February, directed by the playwright and featuring Ed Begley, Jr, Felicity Huffman, and Shelton Dane.

Neil Simon's latest play *London Suite*, directed by Daniel Sullivan, comes to an off-Broadway theatre in the spring from Seattle. In February, the small but increasingly mighty Vineyard Theatre that gave us the world premiere of Albee's *Three Tall Women* will present *Raised in Captivity*, a new play by rising young playwright Nicky Silver.

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ROYAL FESTIVAL HALL
Until Jan 14 — THE NUTCRACKER English National Ballet. Ben Stevenson (choreographer). Eves: 7.30pm (Matinées at 2.30pm 7, 11, 14 Jan) No perfs Sundays. £32, £28, £25, £21, £16, £8 *ENB/*SBC
Sun 8 Jan 6.30 — ADELINE GENEE AWARDS 1995 Among the world's most prestigious ballet student awards. Dancers from the world's leading companies will also appear. Sponsor: The Jerwood Foundation in association with Cathay Pacific Airways. £16, £14, £12 *RAD

QUEEN ELIZABETH HALL
Sun 8 Jan 7.45 — LONDON PHILHARMONIC YOUTH ORCH. Elgar Howarth, David Owen Norris. Ives 3 Places in New England; Britten Pno Conc; Tomlinson Griffes The White Peacock; Bernstein Symphonic Dances (West Side Story). £10, £7, £4 *Lon Phil
Wed 11 Jan 7.30 — A FAMILY CONCERT New Wind Symphony Orchestra. Richard Baker narrates The Steadfast Tin Soldier by K Amos, plus works by Grainger, Holst, Delius, Ives, F Curzon & Martinu. £11, £9.50, £7, £5, £5 NWSO
Thu 12 Jan 7.45 — ORCHESTRA OF THE 18TH CENTURY Frans Bruggen (cond) Cyndia Sieden (sop) Haydn Symphony No.92 (Oxford); Mozart Concert Arias; Beethoven Symphony No.5 £17.50, £15, £12, £9, £6 *SBC
Fri 13 Jan 7.45 — SIMPSON: SYMPHONY NO.4 Kensington Symphony Orch. Russell Keable (cond) Julian Rolton (piano) Also inc Walton Ov. Portsmouth Point; Russell Keable Attendi (Lon prem) Shostakovich Piano Conc No.2. £12, £10, £8, £6 KSO

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERTS
Het Concertgebouw Tel: (020) 671 8345
● European Baroque Orchestra: Wieland Kuijken conducts Telemann, Muffat and Bach at 8.15 pm; Jan 8
● Prazak Quartet: plays Rossini, Korngold and Borodin at 8.15 pm; Jan 11, 13
● Royal Concertgebouw Orchestra: with violinist Sarah Chang. Charles Dutoit conducts Berlioz, Lalo, Stravinsky, Ravel at 8.15 pm; Jan 8

GALLERIES
Rijksmuseum Tel: 020 673 21 21
● Art of Devotion 1300-1500: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun)
● Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12
Van Gogh Museum Tel: (020) 570 5200
● Odilon Redon: retrospective of the French artist's work with more than 160 paintings, etchings and lithographs from public and private collections; to Jan 14

OPERA/BALLET
Het Muziektheater Tel: (020) 551 89 22
● L'Italiana in Algeri: by Rossini. Produced by Dario Fo, conducted Alberto Zedda at 8 pm; Jan 13, 15 (1.30 pm)

■ ANTWERP

OPERA/BALLET
Flanders Opera Tel: (03) 233 66 85
● Madama Butterfly: by Puccini. A De Vlaamse Opera production, conducted by Silvio Varviso, directed by Robert Carsen at 8 pm; Jan 7, 10, 13, 15 (3 pm)

■ BALTIMORE

CONCERTS
Baltimore Symphony Orchestra Tel: (410) 783 8024
● Baltimore Symphony Orchestra: with Canadian pianist Louis Lortie and conducted by Sergiu Comissiona plays Rachmaninoff, Ravel and Prokofiev at 8.15 pm; Jan 7, 13, 14, 15 (3 pm)

■ BARCELONA

GALLERIES
Fundació "la Caixa" Tel: (93) 404 60 73
● Kandinsky/Mondrian: Two Roads to Abstraction. Exhibition that marks the stylistic evolution of the two painters in their early phases; to Jan 22 (Not Mon)
● The Austrian Vision: a selection of 17 Austrian artists from three generations that represent the different models and main aesthetic positions adopted by Austrian artists over the last 20 years; to Jan 22
Museu Picasso Tel: (93) 319 69 02
● Picasso's Early Works: 220 drawings and paintings from 1890-1912; to Feb 12 (not Mon)

■ BERLIN

OPERA/BALLET
Deutsche Oper Tel: (030) 3 41 92 49
● Aida: by Verdi. Conductor Stefan Soltesz, production by Götz Friedrich at 7 pm; Jan 7,
● Ballet Evening: conducted by Sebastian Lang-Lessing. Nacho Duato, Glen Tetley and Harris Mandafounis choreograph works by Debussy, Poulenc and Stravinsky at 7 pm; Jan 14 (6 pm)
● Der Fliegende Holländer: by Wagner. Conducted by Heinrich Hollreiser, production by Gustav Rudolf Sellner at 7.30 pm; Jan 11,
● Der Rosenkavalier: by Strauss. Conductor Jiří Kout, production by Götz Friedrich at 6 pm; Jan 8, 15
● Zar und Zimmerman: by Lortzing. Conducted by Hans Hilsdorf, produced by Winfried Bauernfeind at 7 pm; Jan 10, 13 (6 pm)
Staatsoper Unter den Linden Tel: (030) 2 00 4762
● Die Zauberflöte: by Mozart. Conductor Daniel Barenboim, production by August Everding at 7 pm; Jan 7

■ BOLOGNA

OPERA/BALLET
Teatro Comunale Tel: (051) 529999
● Serse: by Handel. An English National Opera of London production at 3.30 pm; Jan 8, 10, 12 (6 pm), 13

■ BONN

OPERA/BALLET
Oper Der Stadt Tel: (228) 7281
● Carmen: by Bizet. A new production by Gian-Carlo del Monaco, with conductor Michel Sasson. In French with German surtitles at 7 pm; Jan 10 (6 pm)
● Der Ewige Frieden: by Schwertsik. A new production by Jürgen Tamchina with conductor Dennis Russel Davies at 8 pm; Jan 8 (7 pm), 12, 15 (7 pm)
● The Sleeping Beauty: music by Tchaikovsky. Produced and choreographed by Youri Vámos, conducted by Michel Sasson at 8 pm; Jan 9, 13
● Tosca: by Puccini. Conductor, Eugene Kohn, produced by Gian-Carlo del Monaco. In Italian at 8 pm; Jan 7 (7 pm)

■ BRUSSELS

CONCERTS
Philharmonique de Bruxelles Tel: (02) 507 84 34
● Abdel-Rahman El-Bacha: pianist plays Chopin at 8 pm; Jan 11
● Belgian National Orchestra: with soprano Zsuzsa Misura, baritone Andras Molnar, conducted by Yuri Simonov plays Wagner at 8 pm; Jan 12
● Monnaie Symphony Orchestra: with the Monnaie Choir conducted by Antonio Pappano plays Brahms at 8 pm; Jan 8

GALLERIES
Musée d'Ixelles Tel: (02) 511 90 84
● Gainsborough to Ruskin: British landscape drawings and watercolours from the Pierpont Morgan Library in New York. Paintings by Constable, Turner and other 18th and 19th century artists; to Jan 15 (not Mon)

Rosa Mannion and Rosemary Joshua in Figaro's Wedding at the London Coliseum

■ CHICAGO

OPERA/BALLET
Lyric Opera Tel: (312) 332 2244
● Aida: by Verdi. With tenors Lando Bartolini and Kristján Jóhannsson; Jan 7, 10, 14

■ DUSSELDORF

GALLERIES
Kunstmuseum Düsseldorf Tel: (0211) 8992460
● Daniel-Henry Kahnweiler: a visual summary of the German curator's work with pieces by Gris, Braque, Léger, Klee and Picasso; to Mar 19

■ FRANKFURT

CONCERTS
Alte Oper Tel: (069) 1340 400
● Radio Symphony Orchestra Frankfurt: conducted by Eliahu Inbal plays Webern, Schoenberg and Schumann at 8 pm; Jan 12, 13
● Wurttembergian Chamber Orchestra: conducted by Jörg Faerber with pianists Martha Argerich and Alexandre Rabinovitch plays Bach, Schubert, Mozart and Hadyn, 8 pm; Jan 14

GALLERIES
Schirn Kunsthalle Tel: (069) 29 98 82 11
● Asger Jorn – Retrospective: 167 works by the Danish painter. The fifth chapter in a series of presentations of postwar European artists; to Feb 12

■ LONDON

CONCERTS
Barbican Tel: (071) 638 8891
● London Symphony Orchestra: conducted by Ivan Fischer plays Dvořák at 7.30 pm; Jan 12
● Royal Philharmonic Orchestra: conducted by Bramwell Tovey plays Mendelssohn, Handel, Bruch and Beethoven at 8 pm; Jan 7
Purcell Room Tel: (071) 928 8800
● Mr Sax's Invention: the Mistral Saxaphone Quartet celebrates 150 years of the saxaphone with a varied programme of music for this most versatile instrument at 7.30 pm; Jan 8
Queen Elizabeth Hall Tel: (071) 928 8800
● David Golub: first in a new International Piano Series. The pianist plays Haydn, Brahms, Fauré and Schubert at 3 pm; Jan 15,
● Gala Concert: New Wind Symphony Orchestra with narration by Richard Baker plays Amos, Holst and Delius at 7.30 pm; Jan 11
● Messiah: by Handel. James Gaddarn conducts the London Orpheus Orchestra and the London Orpheus Choir at 7.30 pm; Jan 15,
● Orchestra of the 18th Century: with conductor Frans Bruggen and soprano Cyndia Sieden plays Haydn, Mozart, Beethoven; 7.45 pm, Jan 12

GALLERIES
Hayward Tel: (071) 261 0127
● The Romantic Spirit in Romantic Art 1790-1990: examines work of early Romantic painters; to Jan 8
ICA Tel: (071) 930 3647
● The Institute of Cultural Anxiety: works of art and science by young British artists such as Angela Bulloch, Liam Gillick alongside works by more established artists such as Jeff Koons and Julian Opie; to Feb 12
National Gallery Tel: (071) 839 3321
● The Young Michelangelo: small exhibition of the artist's early work. Part of the 'Making and Meaning' series; to Jan 15
National Portrait Tel: (071) 306 0055
● Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12
● The Sitwells: the arts of the 1920s and 1930s through the eyes of the Sitwells; to Jan 22
Royal Academy Tel: (071) 439 7438
● The Painted Page: Italian Renaissance Book Illustrations from 1450-1550; to Jan 22
Serpentine Tel: (071) 402 0343
● Rebecca Horn: exhibition of works by the German artist including, 'Kiss of the Rhinoceros'; to Jan 8
Tate Tel: (071) 887 8000
● James McNeill Whistler: major survey of the Victorian painter and designer; to Jan8
Victoria and Albert Tel: (071) 938 8500
● Streetstyle: tribal dress codes from Harlem in the 1940s to new age travellers in the 1990s; to Feb 19

OPERA/BALLET
English National Opera Tel: (071) 632 8300
● Figaro's Wedding: in house debut for conductor Derrick Inouye at 7 pm; Jan 11, 14
Royal Opera House Tel: 071 340 4000
● Cinderella: music by Prokofiev. Created by Fredrick Ashton in 1948, this was the first full-length ballet by an English choreographer; 7.30 pm, Jan 14
● Othello: by Verdi. Conductor Carlo Rizzi, director Elijah Moshinsky. In Italian with English surtitles at 7.30 pm; Jan 13

THEATRE
Gielgud Tel: (071) 494 5065
● Hamlet: by Shakespeare. Directed by Peter Hall, designed by Lucy Hall. With Stephan Dillane, Michael Pennington, Donald Sinden and Gina Bellman, 7.15 pm; to Feb 4 (not Sun)
Haymarket Tel: (071) 930 8800
● Arcadia: by Tom Stoppard, directed by Trevor Nunn. Two historians investigate a possible scandal involving Lord Byron at 7.30 pm; (not Sun)
National, Cottesloe Tel: (071) 928 2252
● Alice's Adventures Under Ground: adapted from the writings of Lewis Carroll by Christopher Hampton. A look into the darker side of a man known by millions as a storyteller for children, 7.30 pm; Jan 9, 10 (2.30 pm)

National, Lyttelton Tel: (071) 928 2252
● Broken Glass: a new play by Arthur Miller, directed by David Thacker at 7.30 pm; Jan 12, 13, 14 (2.15 pm)
● Out of a House Walked a Man: by Danill Kharms. A Royal National Theatre and Theatre de Complicite co-production of a collection of musical scenes by the Russian absurdist writer at 7.30 pm; Jan 7 (2.15 pm)
● The Children's Hour: by Lillian Hellman, directed by Howard Davies at 7.30 pm; Jan 9, 10 (2.15 pm), 11
Palladium Tel: (071) 494 5020
● Oliver: produced by Cameron Mackintosh, directed by Sam Mendes. Cast includes Jonathon Pryce, Sally Dexter and Miles Anderson at 7.30 pm; (not Sun)
Royal Court Tel: (071) 730 1745/2554
● The Libertine: by Stephen Jeffreys, directed by Max Stafford-Clark. Comedy based on the works of the 2nd Earl of Rochester at 7.30 pm; to Feb 4
Strand Theatre Tel: (071) 930 8800
● The Prime of Miss Jean Brodie: by Muriel Spark, adapted by Jay Presson Allen, directed Alan Strachan. Miss Brodie played by Patricia Hodge at 7.45 pm; to Feb 25 (Not Sun)
Wyndhams Tel: (071) 369 1736
● Three Tall Women: by Edward Albee, directed by Anthony Page. With Maggie Smith, Frances de la Tour and Anastasia Hille at 8 pm; (not Sun)

■ MUNICH

GALLERIES
Kunsthalle der Hypo-Kulturstiftung
● Paris-Belle Epoque: An evocation of the period from 1880 to 1910, with paintings, drawings, posters, photographs, glass and furniture; to Feb 26

■ NEW YORK

CONCERTS
Alice Tully Hall Tel: (212) 875 5050
● Garrick Ohlsson: pianist, begins a six recital series covering the complete solo piano music of Chopin at 3 pm; Jan 15

GALLERIES
Brooklyn Museum Tel: (718) 638 5000
● Indian Minature Paintings: 80 jewel-like paintings from the 15th -19th century; to Jan 8 (not Mon)
Guggenheim
● The Italian Metamorphosis 1943-1968: a survey of visual arts in the postwar period; to Jan 22
Metropolitan
● Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (not Mon)
● Origins of Impressionism: 175 paintings by Parisian artists of the 1860's; to Jan 8 (not Mon)
● Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works explores the museum's continuing interest in Eakins; to Feb 26
● William de Kooning's Paintings; to Jan 8 (not Mon)
Museum of Modern Art Tel: (212) 708 9480
● A Century of Artists' Books: Exhibition of 140 books from leading artists; to Jan 24
● Cy Twombly: Comprehensive retrospective of the contemporary American artist; to Jan 10
Whitney Museum
● Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; to Mar 12

OPERA/BALLET
Lincoln Center Tel: (212) 721 6500
● Heather Watts Final Performance: New York City Ballet Principle Dancer Heather Watts gives her last performance in George Balanchine's 'Bugaku' and Peter Martins' 'Valse Triste' at 7 pm; Jan 15
Metropolitan Tel: (212) 362 6000
● Die Fledermaus: by J. Strauss. Sung in German with English dialogue at 8 pm; Jan 7, 11, 14 (1.30 pm)
● L' Elisir d' Amore: by Donizetti. Produced by John Copely, conducted by Edoardo Müller at 8 pm; Jan 9, 14
● Le Nozze di Figaro: by Mozart. Produced by Jean-Pierre Ponnelle, conducted by James Levine at 8 pm; Jan 12
● Madama Butterfly: by Puccini at 8 pm; Jan 7, 10, 13

THEATRE
Atlantic Tel: (212) 645 1242
● Trafficking in Broken Hearts: by Edwin Sanchez, directed by Anna D. Shapairo. Love story set in New York; to Jul 1
Minskoff Theatre Tel: (212) 307 4007
● Sunset Boulevard: directed by Billy Wilder, music by Andrew Lloyd Weber. Finally arrived in New York with Glenn Close playing Norma Desmond at 8 pm; (not Mon)
Mitzi E Newhouse Tel: (212) 239 6200
● Hapgood: by Tom Stoppard. New York premiere of the play about the head of a UK government espionage agency. Directed by Jack O'Brien, and starring Stockard Channing at 8 pm; (not Mon)
New York State Theater Tel: (212) 870 5570
● Slava!: Thinking About the Long Standing Problems of Virtue and Happiness. Tony Kushner's latest work directed by Lisa Peterson at 8 pm; (not Mon)
Plymouth Theatre Tel: (212) 239 6200
● Passion: music and lyrics by Stephen Sondheim. Winner of four Tony awards, 8pm; to Jan 7 (not Sun)
Promenade Theatre Tel: (212) 239 6200
● Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun. 3pm, otherwise at 8 pm; (not Mon)
Richard Rodgers Theatre Tel: (212) 307 4100
● A Christmas Carol: engaging one man show of the classic with Patrick Stewart at 8 pm; to Jan 8
Shubert Theatre Tel: (212) 239 6200
● Crazy for You: by Ken Ludwig, directed by Mike Ockrent. Tony award winning musical loosely based on Gershwin's Girl Crazy at 8 pm; (not Mon)
Union Square Tel: (212) 307 4100
● Vita and Virginia: by Eileen Atkins. The relationship between Virginia Woolf, (played by Atkins) and Vita Sackville-West (Vannesa Redgrave). Zoe Caldwell directs, 8 pm; (not Mon)
Vineyard Theatre Tel: (212) 353 3874
● American Dreaming: by Chiori Miyagawa, directed by Michael Mayer. The story of a Japanese-American mixed marriage with an eclectic mixture of classical and contemporary music from East and West at 8 pm; to Jan 8 (not Sun)
Vivian Beaumont Tel: (212) 239 6200
● Carousel: revival of the 1945 Rodgers and Hammerstien musical at 8 pm; to Jan 15 (not Mon)

■ PARIS

CONCERTS
Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24
● Choir and Orchestra of the Kirov Opera: with soprano Valentina Tsidipova, mezzo-soprano Olga Borodina, tenor Gegam Grigorian and conductor Valery Gergiev plays Verdi's 'Requiem' at 8.30 pm; Jan 10

GALLERIES
Grand Palais Tel: (1) 44 13 17 17
● Gustave Caillebotte: retrospective of the painter and patron of art who belonged to the circle of impressionists; to Jan 9
Institut du Monde Arabe Tel: (1) 40 51 38 38
● Delacroix in Morocco: Delacroix's visit in 1832, when he was 34, made a lasting impression on his art; to Jan 15 (not Mon)
Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 61 27
● André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon)
Musée d'Orsay Tel: (1) 45 49 11 11
● Forgotten Treasures from Cairo: a rich collection of works by Ingres, Courbet, Monet, Rodin, Gauguin and others; to Jan 9 (not Mon)

OPERA/BALLET
Châtelet Tel: (1) 40 28 28 40
● Christina Hoyos: Flamenco choreographed by Hoyos, Marin and Galla, music by Paco Arrigas, 8.30 pm; to Jan 7

■ VIENNA

GALLERIES
Kunsthalle
● Oskar Schlemmer: a comprehensive survey of work by the Bauhaus artist. Closed Tue; to Jan 29

■ WASHINGTON

CONCERTS
Kennedy Centre Tel: (202) 467 4600
● Evgeny Kissen: pianist plays Haydn, Beethoven, Franck and Brahms at 5 pm; Jan 14
● Kronos Quartet: the string quartet presented by the Washington Performing Arts Society with a program that includes Phillip Glass' 'Quartet No. 5' at 7.30 pm; Jan 8
● Men and Women of the Gospel: an 'Odyssey of African American Sacred Music' conducted by Evelyn Simpson Curenton. Presented by the Washington Society of Performing Arts at 7.30 pm; Jan 15
● National Symphony Orchestra: with soprano Elizabeth Futral, mezzo-soprano Claudine Carlson and the Choral Arts Society of Washington. Leonard Slatkin conducts Ravel and Mahler, 8.30 pm; Jan 12, 13, 14
● Yo-Yo Ma: the cellist along with pianist Emanuel Ax, violinist Pamela Frank, clarinetist Paul Meyer and flutist Euginia Zukerman plays Brahms and Schoenberg, 8.30 pm; Jan 11

GALLERIES
National Gallery Tel: (202) 737 4215
● Italian Renaissance Architecture: Brunelleschi, Sangallo, Michelangelo, the Cathedrals of Florence, Pavia and St. Peter's; to Mar 19
● Roy Lichtenstein: A survey spanning four decades of the American Pop artist; to Jan 8
Sackler Tel: (202) 357 2700
● Landscape as Culture: Lois Conner travels through Asia recording architecture and landscapes with her 100 year old banquet camera; to May 30
● Paintings from Shiraz: the arts of the Persian book created in the city of Shiraz during the 14th-16th century; to Sep 24

OPERA/BALLET
Kennedy Centre Tel: (202) 467 4600
● The Who's Tommy: by Pete Townsend and Des McAnuff who also directs. Rock opera that has won five Tony Awards. Sat and Sun matinees at 2 pm otherwise at 8 pm; to Jan 22 (not Mon)
Washington Opera Tel: (202) 416 7800
● Semele: by Handel. Conductor Martin Pearlman. Roman Terleckyj directs a Zack Brown production at 8 pm; Jan 7 (7 pm), 9 (7 pm), 13
● The Bartered Bride: by Smetana. Conducted by Heinz Fricke. In English at 8 pm; Jan 8 (2 pm)
● Vanessa: by Samuel Barber. Director Michael Kahn, conductor Christopher Keene, 8 pm; Jan 14 (7 pm)

THEATRE
Arena Stage Kreeger Theater Tel: (202) 554 9066
● Misalliance: by Bernard Shaw, directed by Kyle Donnelly; to Jan 8
Ford's Theater Tel: (202) 347 4833
● A Christmas Carol: Charles Dickens' classic directed by David Bell;
Shakespeare Tel: (202) 393 2700
● School for Scandal: by Sheridan. Directed by Joe Dowling, 8 pm; to Jan 7

■ ZURICH

GALLERIES
Kunsthaus Zürich
● Degas-The Portraits: a new exhibition on the portraits of Edgar Degas; to Mar 5
OPERA/BALLET
Opernhaus Tel: (01) 262 09 09
● Carmen: by Bizet. Conducted by Rafael Frühbeck de Burgos and produced by Jean Pierre Ponnelle. In French, 7 pm; Jan 8
● Die Entführung aus dem Serail: by Mozart. Conducted by Nikolaus Harnoncourt at 7.30 pm; Jan 12, 14
● La Belle Hélène: by Offenbach. Conducted by Nikolaus Harnoncourt, 7.30 pm; Jan 11
● Linda di Chamounix: by Donizetti. Premiere conducted by Adam Fischer and produced by Daniel Schmid. In Italian, 7.30 pm; Jan 15 (7 pm)

CHESS

Appropriately, it was Kasparov v Short which virtually settled the Olympiad gold medals in Moscow. England's strong run in the closing rounds took them into a half point lead over the Russians, but a critical factor against them was that Kasparov had white in the decisive match.

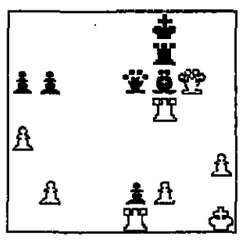
The pair have met 35 times, but Short has never won as Black due to Kasparov's success against his main defences to 1 e4, the French 1 ... e6 and the classical 1 ... e5. At Moscow, Short paradoxically chose a Sicilian formation with pawns at a6,d6 and e6 on which Kasparov has written a book. Before the 1993 match, Short's coach Kavalek urged him to confuse the Russian with mirror chess, playing Kasparov's own favourite systems. Short later sacked Kavalek, and it was ironic that he should belatedly accept his advice (G Kasparov, White; N Short, Black; Moscow 1994).

1 e4 c5 2 Nf3 d6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 a6 6 Be2 e6 7 f4 Be7 8 0-0 Qc7 9 Qe1 Nbd7 Most GMs prefer Nc6. **10 Bf3 0-0 11 Kh1 Kh8?!** Short avoids tactics based on Qg3,f5 and Bh6, but as the game shows White can also control the a1-h8 diagonal.

12 a4 Rb8 13 g4 b6 14 g5 Ne8?! 15 Bg2 Bb7 16 h3 Qd8 17 h4 g6 18 Bb2 Ng7 19 Rd1 Rc8 20 f5 e5 21 f6! A typical idea in such positions. Kasparov soon has 2Bs v 2Ns, increasing his advantage.

exd4 22 fxe7 Qxe7 23 Rxd4 f6 24 Qd2 fxg5 25 Rxf8+ Rxf8 26 Rxd6 Ne5 27 Rxb6 gxh4 28 Nd5 Bxd5 29 Qxd5 Re8 20 Bh3 Qc7 31 Re6! Decisive. Nxe6 fails to 32 Bxe5+, so Short is forced into a lost endgame. **Rxe6 32 Bxe6 Nc6 33 Qg5 Qd6 34 Bd5 Nb4 35 Qf6 Qxf6 36 Bxf6 Nxc2 37 Bc3 h6 38 b4 Kh7 39 b5 axb5 40 axb5 Nb5 41 b6 Ng3+ 42 Kh2** Resigns.

No 1056



Ilinic v Hodgson, Moscow 1994. How does Black (to play) force a win in a few moves?

Solution Page XIII

Leonard Barden

BRIDGE

My hand today, which comes from rubber bridge, shows the declarer overcoming a really cruel break by first class technique:

N
♠ 8 5 3
♥ Q 5
♦ K 9
♣ K Q J 9 5 4

W
♠ 6 2
♥ J 10 9 8 7 3
♦ Q J 10 6 2
♣

E
♠ A 10 9 7
♥ 4 2
♦ 8 4
♣ 10 8 7 6 3

S
♠ K Q J 4
♥ A K 6
♦ A 7 5 3
♣ A 2

With both sides vulnerable, South dealt and began the bidding with two no trumps, to which North replied with four clubs. This response is Gerber, which asks for aces – his club holding is purely coincidental – and South's reply of four no trumps announced that he had three aces. Now North raised to six no trumps.

When West started off with the diamond queen, the contract seemed to be on ice, but South, a real expert, realised that, unlikely as it was, the clubs might be cruelly divided. With this in mind, South won the diamond queen with his ace – this is essential – and then cashed his club ace. West's discard of a diamond was a nasty shock, but he continued with a club to dummy's knave, and returned a spade. East played the seven, and the queen won. Crossing to the heart queen, declarer led another spade to 10 and king. The ace and king of hearts were cashed, then the diamond king and East threw the nine of spades. His hand was an open book. He was left with three clubs to the 10 and the ace of spades.

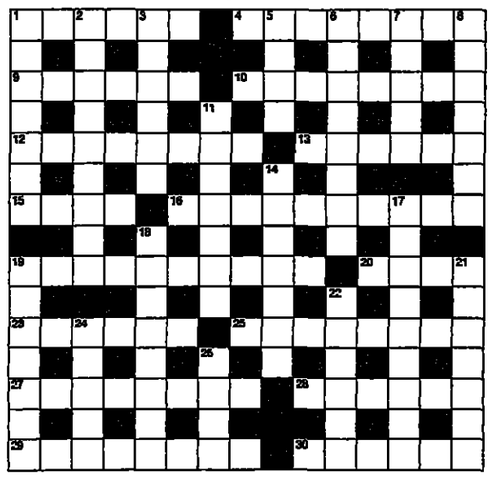
The winning post was in sight. Declarer threw East in with a spade, and the forced return of a club into dummy's tenace supplied three more tricks.

E.P.C. Cotter

CROSSWORD

No. 8,654 Set by DINMUTZ

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday January 18, marked Crossword 8,654 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 21.



Name.....

Address.....

ACROSS
1 Cancellation of all memory (6)
4 Engine part found with rod taken to river? (8)
9, 10 Digital representation (6,8)
12 Flirting and losing head leads to marriage (8)
13 Trouble with gold compact? (6)
15 Light gas? (4)
16 Fouling net, perhaps, fishing (10)
19 Neutrality of such a task-force? (10)
20 Starting sinking, lower boat! (4)
23 Shoe with black heel (6)
25 Marriage of unlike Poles around America? (8)
27 Illustration of how batsman takes guard .... (8)
28 .... in main overseas side defeated by a slow bowler? (6)
29 File to look over – it is foolish nonsense (8)
30 Relax in seat (6)

DOWN
1 Burden to do without? (7)
2 Lighter jacket with banal sort of lining (5-4)
3 General method, given elbow room (6)
5 A woman always absent? (4)
6 Duty of guard transported by rail is to set off (6-2)
7 A team excursion? (5)
8 Language of label on a record (7)
11 Management of company into money-changing (7)
14 Grave set near Split? (7)
17 Insects' swarming about a nasturtium-head is non-stop (9)
18 Bill delivered to clergyman is correct in every detail (8)
19 Make final report, being fed up with cheese filling (7)
21 In such health and prosperity, time flew the wrong way! (7)
22 Author of Crusoe, it turns out (6)
24 Bird left below river (5)
26 Response from the choir (4)

Solution 8,653

O	R	C	H	I	D	■	H	I	N	D	L	E	G	S
B	■	H	■	D	■	S	■	N	■	I	■	V	■	Y
S	H	A	L	L	O	T	■	C	A	S	H	E	W	S
O	■	S	■	E	■	Y	■	R	■	C	■	N	■	T
L	U	T	E	■	B	L	U	E	B	O	T	T	L	E
E	■	E	■	A	■	E	■	A	■	U	■	■	■	M
T	A	N	G	L	E	■	A	S	T	R	I	D	E	■
E	■	E	■	T	■	A	■	E	■	A	■	I	■	S
■	A	D	V	E	R	S	E	■	A	G	H	A	S	T
E	■	■	■	R	■	P	■	D	■	E	■	G	■	A
D	E	R	M	A	T	I	T	I	S	■	A	N	I	L
D	■	U	■	T	■	R	■	V	■	K	■	O	■	W
I	S	M	A	I	L	I	■	A	M	N	E	S	I	A
E	■	B	■	O	■	N	■	N	■	E	■	I	■	R
D	R	A	I	N	A	G	E	■	B	E	D	S	I	T

Solution and winners of the Christmas Crossword are on Page IX.

Peter Aspden

Pelé trades down to politics

The maestro's appointment as Brazil's sports minister has brought ill-judged mockery

Legend has it that Edson Arantes do Nascimento, Brazil's new sports minister and the most complete footballer of all time, used to save the most impressive trick in his repertoire to humiliate awkward opponents whose only object was to mark him out of the game.

Seemingly cornered, he would bounce the ball off his adversary's shins at an angle which enabled him to pick up the rebound and pull away from his man. The crowd would roar, the opponent would chase in vain and genius would once more have had its way with the feeble forces of mediocrity.

Pelé will need all that nimble footwork and more to prosper in that thicket of gloom and desperation that is Brazilian politics. But he has everything one can reasonably ask for – talent, dignity, personal wealth, and an easy charm which blesses only those who have stood at the very peak of their profession.

Much of the British press coverage of Pelé's promotion (or is it a sideways career move?) has been predictably mocking, prompting no end of "what-about-Gazza-for-PM?" remarks delivered with that air of superiority which we reserve for the "funny-countries" (anywhere where they kiss on both cheeks).

The Times even devoted a leader to the topic, jokingly suggesting that the former England cricket captain, Mike Brearley, would make a good home secretary for his ability to snatch unlikely victory from the jaws of defeat (at least I think it was a joke, although anyone wishing to compare the intellectual calibre of Messrs Howard and Brearley might find that the jest is on the nation).

In fact, sporting figures make perfect politicians. Here is a breed of men and women who, from an early age, are used to the violent rushes of adrenalin and capricious reversals of fortune which are the essence of all sporting conflict. Here are finely-tuned athletes who devote years of their lives to perfecting their art, who know what it is to see their colleagues' careers destroyed by a moment of ill fortune, who, by the age of 35, have spent their energy and physical aggression on leather spheroid and running track, little feeling the need in their middle age to take it out on the poor old nation.

Sporting heroes need to show physical courage, strength of personality, dogged dedication and awesome powers of concentration. They can sense the dynamics of crowd psychology and can live quite happily with a television camera up their nose. What better preparation could there be for the end-of-millennium politician? It certainly beats a few boozy evenings at the bar of the Oxford Union as a training ground for leadership.

They know a fair bit about sport in Brazil; last year its people experienced the emotional extremes to which, by virtue of their fanaticism, they lay themselves open. First there was the death of Ayrton Senna, prompting an extraordinary outpouring of grief and, just to show there was no escape from the wave of sentiment, a 10 per cent fall in the stock market; then, a few months later, the balm of World Cup triumph, as the charismatic Romario, 5ft-6in of barrel-chested swagger, showed the rest of the world a thing or two about not going to bed too early. Both men, giants of their sport, devoted much time to alleviating the plight of their country's poor. It is not clear whether the rebellious Romario will be able to harness his concern into a respectable political career; the softly-spoken, telegenic Senna would almost certainly have been asked to do so.

In Britain, we might find such manoeuvres questionable, but we had better get used to them. Already a large industrial power has elected a party to government on the strength of a football chant; subsequently Silvio Berlusconi has found out that running the country is a mite more difficult than winning the European Cup. But then again, he never actually played sport at the highest level – what would he know about politics?

The rebirth of human nature

Ian McEwan asks what it is that we all have in common: from the gatherers of the savannah to the hunters of the big city

Even for atheists it has been a useful time for reflection. The year is dead and is reborn in hope. The birth in the cowshed proposes that nobility of spirit knows no social rank, and the general merriment of the past weeks has hinted that human wretchedness is awaiting its redemption. For all that, the Christian message is tough, bleak even. "Man that is born of woman," goes the graveside verse from The Book of Common Prayer, "hath but a short time to live and is full of misery." The unbeliever can hardly argue with that, except, perhaps to say that happiness is possible too in our brief span, and is all the more important because that span is all we have.

Traditionally, Christian doctrine has stressed our imperfections: we come into the world impure, unclean, we have strayed, we are lost sheep and we crave deliverance. But this is where the modern atheist cannot even find the common ground on which to begin to disagree; after all, who is this "we"? Do we really hold our condition in common? Can anyone seriously propose these days that there is such a crude and absolute entity as human nature?

Until not so long ago, no one doubted it. For centuries, describing and defining human nature was virtually the duty, the preserve of the thinking person. Moralists, scientists, philosophers, poets, as well as priests, felt bound to face and answer the question: who or what are we?

Then, slowly, towards the end of the 19th century, the assumptions behind the question began to dissolve. Every branch of the growing social sciences seemed to suggest that there was no essential human character at all; we are forged in the smithy of our environment, and there are as many smithies as there are individuals.

In those buoyant formative years, the social sciences laid claim to the near certainties of "hard" sciences such as physics and it was hard to refute their conclusions.

By the 1920s the evidence was pouring in from many different directions. Psychoanalysis plausibly asserted the extent to which we are shaped by our early childhood experience. Sociology demonstrated the power of social structures over our thinking. Anthropology proved that we could be moulded into an infinity of forms by revealing a fabulous diversity of cultures and belief systems. Linguists and linguistic philosophers demonstrated how the structure of thought itself was shaped by language which in turn was a cultural artefact.

Even while these disciplines had to soften their pretensions to exact science, by mid-century a powerful intellectual synthesis had emerged, so pervasive and widely accepted that it did not even have a name: we are born with a few reflexes and an all-important ability to learn; we are the products of our culture, of our present environment and our cumulative private experience; culture can vary infinitely, and therefore so can we. Our very perceptions, especially our vision, are formed by culturally determined meaning.

Today, this assumption invisibly guides our thinking, from social policy on education or law to the way we raise our children or talk about our most intimate relationships. It underpins the relativism that is the hallmark of contemporary intellectual discussion and appears as a bulwark against the absolutism and determinism that we associate with so much past human misery. It is ingrained, this secular ideology, as self evident as Christian belief was to a medieval peasant.

But as the century closes we are witnessing a great sea change, in fact nothing short of a scientific revolution. That set of assumptions I have described has a name now, and naming it has been inseparable from calling it into question. The label is boring enough – the Standard Social Science Model, or SSSM, and the attack on it is 20 years old and gathering force.

The opposition is the inevitable consequence of an explosion of knowledge in a number of related fields; Darwinian thought, revitalised by modern genetics, has guided the study of the biological basis of social behaviour; a new generation of anthropologists has become fascinated by the universals in different human cultures, by what we hold in common rather than our lurid expectation of differences; neuroscientists aided by noninvasive tools of research have made spectacular advances in their understanding of the structure of the brain; palaeontologists are reaching a new consensus on human origins; a resurgence in linguistics research points to a Universal Grammar; psychologists have been drawn to explain the evolutionary pressures that have shaped the brain that enables us to know and to learn and possess the values that make up a culture; ecologists have demonstrated our connectedness to and dependence on other living forms, even as we destroy them; in philosophy writers such as Jerry Fodor have mounted powerful arguments against the relativism implicit in SSSM.

> 'In our newly concocted urban environment we could be excused for appearing confused, not entirely nice, and like lost sheep'

"We have little grasp of our true nature, of what it is to be human," the biologist E.O. Wilson wrote in the conclusion of his magisterial *The Diversity of Life*.

The primary cause of this intellectual failure is ignorance of our origins. We did not arrive on this planet as aliens. Humanity is part of nature, a species that evolved among other species. Our heritage is not derived from the mere 8,000 years or so of recorded history, but from thousands of generations in the course of which the emergence of culture must have been profoundly influenced by simultaneous events in genetic evolution, especially those occurring in the anatomy and physiology of the brain.

What the new consensus is proposing is a rebirth of human nature as a matter for serious contemplation. It does not advance a reductive determinism as some of its critics have suggested. Instead it describes a rich and fluid interplay between minds which are both the products and shapers of culture, and culture which in turn is the product and shaper of minds. Nor does this new synthesis condone or prescribe the traits it describes. We are capable of developing abstract principles such as justice and forgiveness and living by them. But the struggle between our principles and the promptings of our nature is worth understanding.

The picture of us that is emerging is still hazy and contested, but the outlines would be familiar enough to most novelists.

The sexual dance is of particular fascination. To get his genes into the next generation it is in a man's interests to persuade both himself and the woman he woos that he is in love. To protect herself against lies and exploitation and find a good parent for her children, it is in a woman's interests to have greater emotional insight, and to be sexually reticent, at least at first. The long period of dependency of human infants to permit the proper development of our enormous brains has engendered in us a great capacity for protective love.

As hunters we evolved an ability to co-operate. We are also quick to retaliate, and males are undoubtedly the more "aggressive". We drift into hierarchies, even though we think we might be capable of organising ourselves differently.

We fear spiders and snakes, and have vague longings for the wide open spaces of our ancestral environment. As is often pointed out, we have the brains of hunter-gatherers of the east African savannah. In our newly concocted urban environment we could be excused for appearing a little confused, not entirely nice, and rather like lost sheep.

By reinstating human nature we might, after all, be preparing common ground for atheist and Christian alike, for the story of the Garden and the Fall must surely hold for the unbeliever all the greater metaphorical power and poetic truth. Whether our salvation is possible by way of an external beneficent deity or by the grace of our accidental capacities for love, co-operation, rationality and emotional insight is a question I doubt could be settled, even if that salvation were to arrive.

As They Say In Europe

Of mice and men and stable change

James Morgan looks into the past to predict the future and foresees 25 years of unnoticed revolution

It is odd to think 2020 is only 25 years away. 2020 also happens to be a book by Hamish McRae which came out a few months ago. It makes a persuasive case that cultural and social factors will dominate the way our lives change. McRae is relatively optimistic, foreseeing a world where virtue will be rewarded.

Looking at the book again made me think of new year's day 25 years ago, in 1970. I remember, at that time, wondering about new year's day 1945. The world in 1970 had changed out of all recognition from the one of 25 years earlier. But the world of 1970, for those of us who can remember it, is not that different from today.

We may live with mice and modems, laptops and faxes, mobile phones and windows, without the Berlin Wall and the threat of nuclear war, yet it is remarkable how familiar 1970 seems. Do technology and politics matter that much?

Let us go further back. Many Europeans may have thought in 1945, as the war ended, how much it resembled 1920, only worse. But 1920, to the people alive then, must have been quite different from the world they recalled from 1895. For Europeans, recent history seems to consist of periods of relative stability in the way we live followed by vast social changes. Those changes appear to take place almost irrespective of war and technological progress. Thus, the transformation of western Europe between 1945 and 1970 was based on political stability and economic progress. Global politics were glacial in spite of the colonial revolution. The preceding period consisted of war and, upheaval, and yet the lives of those who survived seemed remarkably similar at the end of the period. Pretty awful in both cases.

The fact is that our lives can change more in periods of peace and progress than they do in war and upheaval. When the Four Horsemen of the Apocalypse come knocking at the door, "lifestyle" goes out of the window. One comes round to the conclusion that political stability leads to radical social development. The first world war seems to provide the one exception to this rule.

No one in 1970 would have forecast that the Soviet empire was going to collapse, but it has and changed our (west European) lives hardly at all. How much about the way we live would really surprise someone suddenly transplanted from then to now? In 1945 no European could have conjured up anything near the reality of 1970: colour television, German tourists packaged on Mediterranean beaches, electronic calculators invading every office, the computer revolution.

Peter Drucker, an American management expert, says the real effects of new technology might not be felt until years – even decades – after its introduction or discovery. That is why our present situation is so peculiar. So much has happened since 1970, but it has made so little difference to our attitudes and the way we live. That might mean, of course, that we shall reap the whirlwind of technological change in the coming 25 years. If that is true, and each alternate quarter century is one of colossal change in Europe, I reckon that in 2020 we shall be living in a way that no one can foresee today.

Let us try a hypothesis. Each of our quarter centuries has its own idea, the Age of Aquarius was the catchphrase around 25 years ago. It is still around today in New Age thought, or whatever. Many notions from the late 1960s have never quite died. There was a book that everyone read, and nearly everyone believed, in 1970. It was called *The Greening of America* and it presented a picture of an America made "kinder and gentler". It was always a counterweight to the rougher side of the Reagan-Thatcher world.

I wonder how much the tone of the next quarter century will be set by the opposite phenomenon which has emerged in the US. It was encapsulated by the mid-term elections which were, in fact, a *coup d'etat* by the white, middle-class, middle-aged male. This group is a formidable beast when roused. It does, after all, have its hands on most of the world's levers of power.

It feels threatened today and it has left reactionaries such as Newt Gingrich and the ineffable Jesse Helms bestriding the Washington stage. This may be just a blip. But it has already started to clear out the the modest fortresses created by the 1970s generation. Europe follows American fashions so we could be in for a period when the small shifts in power of the past 25 years could be reversed.

So much for guesswork. But you can be sure that if the world is not very interesting in one area it will be interesting in another. Twenty-five years of peace and stability may create an unrecognisable, but not necessarily nicer, world. War and upheaval will mean little will change.

■ *James Morgan is economics correspondent of the BBC World Service.*

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